

SOUND MONEY.



Bimetallism a Necessity of the World.

The Existing Ratio of Parity, 16, $15\frac{1}{2}$, 15 to 1, Unalterable.

THE UNITED STATES COMPETENT TO RE-ESTABLISH
BIMETALLISM BY RE-OPENING HER MINTS TO SIL-
VER, WITHOUT FOREIGN CO-OPERATION.

BY ROBERT W. HUGHES.

"Sound money is that sort of currency which has the most universal and least fluctuating purchasing power in the markets of all countries; is that which is the best and least fluctuating measure of value and medium of exchange."—SECRETARY MORTON.

"The money of the world should be a fair and permanent record of obligations over long periods of time."—A. J. BALFOUR.

"If we take a survey of mankind in ancient or modern times, as regards the physical, mechanical and intellectual forces of nations, we find nothing to compare with the United States in this present year of 1895. The wealth of the American people surpasses that of any other nation, past or present. * * * The United States in 1895 possess by far the greatest productive power in the world. This power has more than trebled since 1860. The accumulation of wealth averages \$7,000,000 daily. Yet there may be impartial critics who would go so far as to assert that Americans might have turned to greater advantage the elements at their disposal."—MULHALL, in *North American Review* for June, 1895.

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PREFACE.

The following essays were published in various newspapers at the times of their respective dates. The statistics which they embody might be brought down to the present time, but that would seem unnecessary. The excellent platform of the Cook County Democrats, of Illinois, is published as an epitome of the principles which I have endeavored to elucidate in these essays. I have endeavored to use as little repetition as possible in this collective publication.

ROBERT W. HUGHES.

SOUND MONEY.

The Ratio of Parity. Why Hold the International Conference ?

THE LAW OF NATURE.

ENGLAND'S DOMINATION AT WASHINGTON—NO THREAT-
ENING OVER-PRODUCTION OF SILVER—NOT
PLENTY THAT MAKES TROUBLE.

Who hold the balance of the world ? Who reign
O'er Congress, whether royalist or liberal ?
Who make our morning journals squeak and gibber-all,
Who keep the world, both old and new, in pain
Or pleasure ? Who make politics run glibber-all ?
Jew Rothschild and his fellow Christian, Baring.

Those are the lords to-day. Every loan
Is not merely a speculative hit ;
But seats a nation or upsets a throne.
Republics also get involved a bit ;
Columbia's stocks hath holders not unknown
On Change.

NORFOLK, MAY 16, 1895.

To the Editor of the Dispatch :

Mr. Edwards Pierrepont was our Minister to England for several years during General Grant's administration. He was a citizen of New York. He naturally gave much attention to financial subjects during his residence in London. He was always an earnest bimetalist. He was an able writer on the subject, and thoroughly conversant with it. Some time before the stealthy demonetization of silver in the United States by the legislation of 1873, he had become aware of the formation of their gold trust by the principal bankers of Europe, the chief object of which was to

bring about in the United States the enactment of 1873, as they had done the action of Germany in 1871.

Not long ago, in an article in the *North American Review*, Mr. Pierrepont said: "There are no silver mines of importance in the British Empire, but gold mines of vast production. To keep up the price of this metal by artificial means England formed a trust long before the oil or sugar trust was formed in America. She gave free coinage to gold, and not to silver, and passed an act of Parliament compelling the Bank of England to purchase all the gold offered at 3 pounds 17 shillings and 9 pence per ounce standard," etc., etc.

The amount of coined gold money in use among the civilized nations being supposed to be something more than 3,500 millions of dollars the object of the Gold Trust was to obtain control of this money. It is said that the Rothschilds alone now control 2,000 millions of it. Six sevenths of the whole is supposed to be in control of the trust. They sought control of money in order to control prices. With all their wealth the Gold Trust knew they would be unable to control the gold of civilized nations if there were a greater amount of legal-tender silver money circulating in the hands of the people.

The demonetization of silver was therefore an essential part of their scheme. They early set to work to effect this object. They succeeded in Germany. They had a still easier success in our Congress, by means of secrecy and treachery.

THE GOLD TRUST VS. THE AMERICAN PEOPLE.

This grand coup was accomplished in 1873 by stealth; for it is the right of the American people to pass at the polls upon every great measure of government. Yet a policy of finance more subversive of popular liberty and more destructive of domestic prosperity than any ever before conceived by the human mind was secretly established in our republic in 1873, without the sanction, even without the knowledge, of the people. Stolen measures are not often honest measures. Gold monometalism in this country is the goods of a theft. But all great frauds recoil upon their perpetrators. The American people are about to assert their right to pass upon this policy. They are going to exercise this high prerogative and say, "Let it stand," or, "Let it fall." The campaign

of education is begun, and the authors of the policy, forced out of their tactics of stealth and secrecy, must at last meet their adversaries face to face, toe to toe.

I wish to say something about the ratio of parity between the two money metals; something about the proposed call of an international conference for settling this ratio, and something on the interesting question whether gold or silver is the steadier, the sounder, the more honest of the two monies.

WHETHER NATURE OR BANKERS CONTROL.

With many students of finance the *pons asinorum* in the way of a return to the constitutional policy of bimetalism is the supposed necessity of securing beforehand, by international agreement, a conventional ratio of parity between gold and silver. The mistake of such students is in assuming that this much desired ratio is a thing of artificial ascertainment and contrivance, to be mathematically worked out by ingenious minds, and dogmatically decreed by some Sanhedrim of miscegenated savans, Semitically dominated, and convened from Europe and America for the purpose. On the contrary, the ratio is a self-established fact resulting by evolution, automatically, from the natural conditions affecting the two metals all the world over.

I am not much given to superstition, but I believe that a wise and beneficent Creator designed this earth for human habitation, and provided here all things which could be useful and necessary to the well-being and happiness of the human race which He placed upon it. Among His many gifts were two very remarkable ones. First, He gave us language and letters with which, by speech and writing, we may express our thoughts to each other in a manner necessary to high civilization, and unknown and impossible to the dumb beasts which He made subject to our uses. The other of these gifts was money, by means of which we might carry on the work, traffic and business of society with perfect facility, convenience, accuracy and confidence. From the earliest history, through all the periods of time down to our own day, gold and silver have been the universal money of mankind. Local experiment has occasionally been made with other substances, but in every instance it has ended in speedy and disgusting failure. The only money which has stood the test of ages, the only money of

nature and nature's God, current all over the earth, has been gold and silver. This great fact, this amazing miracle, the contemplation of which fills every thoughtful soul with gratitude to the Giver of all good and perfect gifts, is so familiar and universal as to have become commonplace; so that in our enlightened age there are men who essay to improve upon the work of Almighty God, and think they can tinker successfully with the subject of money by interfering with the materials which have constituted it from time immemorial. If I may use the privilege of Mr. Cleveland, and indulge in mere dogmatism, I will say that, as surely as there are settled laws of nature, as surely as this gift of money to mankind comes from a higher than human source, this tinkering will come to grief. The ratio of metals is one of the facts of money, fixed by a higher power than man's, fixed by a friend of the human race, fixed by the ordination of One more honest than any petty king of the London Gold Trust.

Sir Roderick Murchison, one of the most learned and highly respected financial writers of modern times, states the principle of ratio in these words: "The quantities of gold and silver procurable will prove no more than sufficient to meet the exigencies of an enormously increased population and an augmenting commerce and industry. Providence seems to have originally adjusted the relative values of the precious metals, and the fact that their relations have remained the same for ages will survive all theories."

AUTOMATICALLY WORKED OUT BY NATURE.

Let us examine what lesson is taught by the facts of the subject. I will first premise, and then prove, that the existing ratios have been determined automatically, and not by contrivance. They are 16 to 1 in America, where nearly all silver is produced, and where it is cheapest; $15\frac{1}{2}$ to 1 in Europe, where it becomes a little dearer by transportation, and much of it coined and recoinced at expense, and 15 to 1 in Asia and the East, after it has undergone still further transportation at additional expense. These ratios are practically one and the same, and we speak of them in America, for brevity's sake, as 16 to 1.

How did this ratio come about? No international conference ever agreed upon or decreed it. Such a decree would have been *brutum fulmen*. The ratio cannot be the subject of dogmatic ful-

mination. It comes from a very simple fact. Suppose there were 16,000 millions of ounces of silver in the world in use as money. Suppose there were 1,000 millions of ounces of gold in the world, also in use as money. Suppose that the use of both of these sorts and quantities of money, interchangeably, was convenient and agreeable to mankind and universally customary; then that very fact of the use in common and interchangeably of these respective quantities of money would establish the ratio of parity between the two metals at 16 to 1.

It is equally true that if at any time the amounts of the two metals in circulation among mankind, stated in francs, or dollars, or guineas, or other coins, are equal to each other—as, for instance, if there are 3,500 millions of dollars' worth of gold in use and the same number of dollars' worth of silver also in use, both moneys in common, interchangeable use—then this equality of aggregate values in use will demonstrate that there is some ratio of parity existing between the two metals; and if, the aggregate values being the same, the individual coins of silver are so many times heavier than the gold coins of the same value, then that so many times is the automatic ratio of parity existing between the two metals. This ratio has been 15 or 16 to 1 for ages, and it is this ratio which Sir Roderick Murchison refers to when he says it will “survive all theories.”

The Director of the Mint, in his report for 1894, page 45, gives as the stock of silver in the world, coined and uncoined, but chiefly coined, \$4,055,700,000.

He gives as the like stock of gold in the world, page 44, \$3,965,900,000. He states these to be the approximate quantities of the two metals visible and reported. They, of course, do not include what is in private hoards, or in the pockets of individuals, or very much of what is in the use of uncivilized populations. His statements of the visible stocks are supposed to be somewhat less than one-half of the total quantity of each of the precious metals in the world.

THIS PRACTICAL EQUALITY.

These quantities in value given by the mint report of the stocks of the two metals visible and in use are nearly equal to each other, the difference being only ninety millions.

This practical equality in value of the amounts of the two metals in use proves that the ratio on which these values are estimated and the metals are coined, of 16 to 1, is not the creature of human contrivance, but is the automatic result of natural laws.

The ratio of 16 to 1 prevails because the quantities of the two metals which God's gift of the mines and man's industry in working them have produced have been such relatively as to have established that ratio. The ratio of 16 to 1 is a necessary automatic corollary of the world's quantities in stock of the two metals.

The Mint Report for 1894 gives, pages 174-175, the quantities of each metal produced in the world in each year from 1492 to 1894, a period of 402 years. The total for the period was, of gold 406,306,476 ounces, and of silver, 7,664,023,716 ounces. Multiply the gold by 16 and we get 6,500,900,616 ounces. On the basis of 16 to 1 the quantities of the two metals produced was within \$1,163,000,000 of the same number of ounces for the 402 years, or within an average of 2,900,000 ounces a year in the 402 years.

Stated in values instead of quantities, the production of gold in the period according to the mint report was \$8,399,101,000 worth; and of silver \$9,909,041,000 worth, valued at the ratio of $15\frac{1}{2}$ to 1. That is to say, in the long period of more than four hundred years the excess of silver production over that of gold was only \$1,509,940,000 worth, valued at the ratio of $15\frac{1}{2}$ to 1, the excess of silver being only \$3,774,850 worth a year. When we consider that silver is the money of the million and not of bankers; that it is in constant, daily use, and not stored in vaults; that it is more carelessly handled than gold and more liable to be lost on land and sea and is more subject to abrasion and casualty, we are bound to conclude that this difference in production is obliterated, and that nature has provided this small excess of production in silver over gold to meet such losses as have been described, and thereby preserve the equilibrium of the two metals on the natural ratio of 16 to 1.

NATURE IS ABLE TO MAINTAIN IT.

As to the ability of nature and nature's God to maintain the value of silver at the ratio of 16 to 1, compared with gold, we have no lack of proof. A table is given below, taken from the

Mint Report of 1894, page 158, showing the commercial value of silver compared with gold during the period extending from the beginning of the present century down to 1873, when silver was demonetized in the United States. The table shows the ratio value of silver compared with gold, as metals sold in the market by weight, in each year of the period 1800 to 1873. The legal ratio being 16 to 1, it will be borne in mind by the reader that when the table shows the comparative value of silver to be 16, silver has been at a commercial parity with gold, and whenever the numeral has been less than 16 silver has been at a premium over gold. Here is the table: (See Mint Report, page 158.)

1801, silver compared with gold.....	15.46
1802, " "	15.26
1803, " "	15.41
1804, " "	15.41
1805, " "	15.79
1806, " "	15.52
1807, " "	15.43
1808, " "	16.08
1809, " "	15.96
1810, " "	15.77
1811, " "	15.53
1812, " "	16.11
1813, " "	16.25
1814, " "	15.04
1815, " "	15.26
1816, " "	15.28
1817, " "	15.11
1818, " "	15.35
1819, " "	15.33
1820, " "	15.62
1821, " "	15.95
1822, " "	15.80
1823, " "	15.84
1824, " "	15.82
1825, " "	15.70
1826, " "	15.76
1827, " "	15.74
1828, " "	15.78
1829, " "	15.78
1830, " "	15.82
1831, " "	15.72
1832, " "	15.72
1833, " "	15.93
1834, " "	15.73

1835, silver compared with gold	15.80
1836, " "	15.72
1837, " "	15.83
1838, " "	15.85
1839, " "	15.62
1840, " "	15.62
1841, " "	15.70
1842, " "	15.87
1843, " "	15.93
1844, " "	15.85
1845, " "	15.92
1846, " "	15.90
1847, " "	15.80
1848, " "	15.85
1849, " "	15.78
1850, " "	15.70
1851, " "	15.46
1852, " "	15.59
1853, " "	15.33
1854, " "	15.33
1855, " "	15.38
1856, " "	15.38
1857, " "	15.27
1858, " "	15.38
1859, " "	15.19
1860, " "	15.29
1861, " "	15.50
1862, " "	15.35
1863, " "	15.37
1864, " "	15.37
1865, " "	15.44
1866, " "	15.43
1867, " "	15.57
1868, " "	15.59
1869, " "	15.60
1870, " "	15.57
1871, " "	15.57
1872, " "	15.63
1873, " "	15.92

It will be seen that in only three of the seventy-three years has the comparative value of silver been as low as 16 to 1. It has been more valuable than gold at 16 to 1 throughout the period named—that is to say, in every year but three it has taken less silver than sixteen ounces to buy an equal quantity of gold—and silver has been at a commercial premium.

ENGLAND'S DOMINATION AT WASHINGTON.

Even if considered with reference to the European ratio of $15\frac{1}{2}$ to 1, silver was relatively more valuable than gold in twenty-three years of the present century previous to its demonetization. Apropos of the apparently superior value of gold in the other fifty years of the period, it is to be observed that the Director of our Mint takes his quotations from the London sales; and that these are notoriously cooked as much as possible against silver, it being the policy of England to cheapen American silver in order that her profit on it when sent to the East may be greater.

The Director of the Mint avows that these quotations are of sales in London. Does he not know that there silver is demonetized, and that it sells there of necessity below its money value? Why did he not give the quotations of American sales? How pitifully true is it that our Treasury Department is little else than a provincial bureau of the Bank of England, more absolutely dominated by it than the British Exchequer itself. Our Treasury officers do their work and make up their reports under the infatuating spell of the Basilisk of the Thames, whose gaze transfixes them and paralyzes every sentiment of manly Americanism in their natures.

If the same page of the mint report from which the foregoing ratios have been copied be consulted it will be seen that for 114 years before the beginning of the present century silver was more valuable than gold, even measured by the European ratio of $15\frac{1}{2}$ to 1, except in four years—that is to say, was more valuable in 110 years out of 114, even in sales in London.

These tables teach, however, that throughout the period of nearly two centuries the differences and variations in relative value between the two metals, were so inconsiderable and trivial as to have been of no material importance. They were practically the same, and they illustrate the truth of Sir Roderick Murchison's remark, that nature furnishes the two metals in such relative quantities as to establish and maintain the ratio of 15 or 16 to 1 *en permanence*.

This steadiness of relative value, as shown by the figures that have been given, are marvellous. No intelligent mind, no reverent student of the subject, can fail to feel that any arbitrary

and artificial disturbance of this ratio would be revolutionary, abnormal, and in its consequences pernicious, if not in its spirit impious. Have we not already experienced very baleful results from the blunder and crime of 1871-'73, when Germany and the United States surrendered their financial independence to England? Why should England be permitted to enter into a conference held in the interest of silver which she refuses to respect as money, and which she has plotted against for eighty years?.

NATURE SCORNS TO HELP THOSE WHO REJECT HER GIFTS.

For nothing can be more destructive to the long-established ratio between the values of the two metals that has been described than the demonetization of one of them. In order that either shall retain its value relatively to the other it must be in full and untrammelled use as money. In order to be money, it must possess two requisites—it must be legal tender by fiat of the municipal law, and it must enjoy the privilege in the public mints of being converted into coins in the manner prescribed by law. If denied either of these privileges, either of the precious metals, except so much of it as consists of coins already minted and already enjoying the function of legal tender, ceases to hold its money value, and becomes a mere commodity of the market. It can be money only when in the form of coins.

The principal value of the precious metals is derived from their use as money. If any article of value to the human race be deprived of the use for which it is intended by nature it will fall in price. If by some infatuation mankind were induced by designing men to refuse to make use of wheat and corn for daily food, even those prime necessities of life would lose most of their value in the market. A Virginia farmer the other day, after reading this essay as published in the *Dispatch*, said, in referring to Mr. Cleveland's idea of depreciated silver dollars, "wheat and corn would go down lower too if the people were fool enough to quit eating them."

Nature establishes the ratio of parity between gold and silver only as money. It ceases to perform this office when, with sacrilegious hand, the minions of Mammon degrade either of the metals into merchandise. As long as both are upheld as money by municipal law, nature establishes their relative values automa-

tically. It is true that the ratio of nature varies slightly with varying times, circumstances and conditions, and that this tendency to inconsiderable variations needs to be steadied by artificial laws of legal tender and coinage. But these laws act simply as the balance-wheel acts in regulating the movement of machinery; they fix and hold steady the ratio which nature, by her own great laws, has already established. There can be no international conference competent to fix a ratio for the two money metals which shall not have nature and nature's God as constituent members of it, and I am inclined to believe that these two financiers can establish a firm and sound ratio better without the aid of Gentile and Jew conferrees than with it.

SILVER A SOUNDER AND STEADIER MONEY.

If experience and history establish any truth in finance, it is that silver, so long as it is used and maintained as money, is of more steady and certain value than gold. Systems of finance based on gold are notoriously panicky. Those based on silver are subject to comparatively few and slight perturbations. Those based on both moneys are as steady as the North Star.

They have gold monometalism in the country which is now the financial sovereign of the United States. For full two generations England has been conspicuous for the frequency and violence of its commercial, banking and monetary panics. The rate of interest of the Bank of England is a financial barometer, whose changes indicate with infallible certainty the revolutions that occur in the money market of London. This rate was changed no less than 223 times in the twenty-seven years, beginning with 1847, and the range of rates was from $2\frac{1}{2}$ to 10 per cent. The monometalic gold standard was adopted in 1816, and in the 122 years preceding that event there were only sixteen changes, and the rate of interest never fell below 4 nor rose above 6 per cent. The late Mr. Jevons, an English writer and statistician of the highest authority, in his volume on money predicted in 1875 that the sensitiveness of the money market would increase under the present system of England, and declared it probable that commercial crisis would, from time to time, recur, even exceeding in their violence and disastrous consequences those whose history we know too well. The prediction has been abundantly fulfilled. Mr. Giffen, the "militant

monometalist," says in an article in the *Contemporary Review*: "The course of the money market since 1871, when the German Government began to draw gold from London, has been full of stringencies. The crises of 1873 and 1875 were, no doubt, precipitated by them, and since 1876, in almost every year except 1879 and 1880, there has been a stringency of greater or less severity, directly traceable to or aggravated by the extraordinary demands for gold and the difficulty of supplying them."

Compare the Bank of England with the Bank of France. The latter often has to help the former out of trouble, the case is never *vice versa*. The one redeems in gold only; the other in gold or silver, at its own pleasure. No run is ever made on the Bank of France. The Bank of England changes its rate of interest to prevent runs, figuratively speaking, with every moon.

The reason of the stability of silver is, that it is the money of the people of the world, current everywhere, within the reach of poor and rich, in the pockets of the high and the low, never hoarded, never vaulted, never hid out of sight. Of the fifteen hundred and fifty millions of people in the world, twelve hundred millions, or four-fifths, use silver alone, and only two hundred and eighty millions use both gold and silver, the rest having no money at all. How is it possible for a substance which is the only money of twelve hundred millions of people, who never have enough of it, ever to be variant and fickle in value? A few nations in Europe and a great English dependency in America may demonetize silver wholly or partially, and thereby destroy or diminish its value in their special localities, but in the rest of the world it asserts its prerogative as money with the glad acclaim of loyal millions. Even in Europe the quantity of silver in welcome circulation is little short of that of gold, and in Shermanized and Tory dominated America we have much of it of full-coin value busily at work among the people making a campaign of education preparatory to 1896.

PRICES OF INDUSTRIAL PRODUCTS.

With all this history back of it, with twelve hundred millions of the inhabitants of God's earth using silver alone at the high ratio of 15 to 1, and craving more than they can get of it; with all Europe short in metallic money and hankering wistfully for a largely

increased use of silver money, and with our own people indignant at the fall in prices of all the products of industry in field, factory and mines through the fraud of 1873, who can doubt that whenever the privilege of the American mints withheld now by England shall be restored to silver, that metal will instantly leap to parity with gold at the ratio of 16 to 1, and maintain it as steadily as it did from 1686 to 1873?

It is easy to show that, even under the violently disturbing measure of 1871-1873, by which silver was reduced by England in her two financial dependencies, Germany and the United States, to a mere mercantile commodity, the value of silver has been more steady than that of gold. Of course the comparison of silver demonetized must not be with gold, which is the only monetized metal, but must be with other substances of commerce, which, like itself, has not the money function.

The tables of Mr. Augustus Sauerbeck, which are accepted as reliable by all writers on the subject of prices, show that the average yearly prices of forty-five leading commodities of commerce, compared with their average prices in the period of 1867-1877, had fallen by June, 1894, compared with gold, 37 per cent., which is equivalent to saying that the purchasing power of gold had increased as to the forty-five articles of trade, 55 per cent. More particularly, if we select out of the forty-five articles alluded to, the seven most largely bought and sold in the markets—to-wit: wheat, corn, potatoes, rice, pig-iron, cotton and wool—the tables of Sauerbeck show that during the twenty years, 1873 to 1893, the average fall in the price of these staples in gold was 43 per cent., which is equivalent to saying that an ounce of gold would purchase $75\frac{1}{2}$ per cent. more of them in 1893 than it would in 1873. Thus the value of gold fluctuated during the period of 1873 to 1893 as much as 55 per cent. in reference to forty-five articles, and $75\frac{1}{2}$ per cent. in respect to the seven most important of them. On the other hand, these tables show that in comparison with these articles of commerce silver fluctuated only 4 per cent., although demonetized, losing that much in relative value. In short, in 1893, gold bought 55 or $75\frac{1}{2}$ per cent. more of the produce of man's labor than in 1873, and silver 4 per cent. less. Secretary Morton says that what Mr. Cleveland calls "sound money is that sort of currency which has the most universal and least fluctuating pur-

chasing power in the markets of all countries ;” is that which is “the best and least fluctuating measure of value and medium of exchange.” Mr. A. J. Balfour adds an important ingredient to Secretary Morton’s definition—viz: “The money of the world should be a fair and permanent record of obligations over long periods of time.” Tried by this true test, what becomes of Mr. Morton’s monometallic gold, and how pitiably does it compare in steadiness of value with demonetized silver?

THERE IS NO THREATENING OVERPRODUCTION OF SILVER.

It is very plain from what has been shown in the foregoing paragraphs that unless there shall occur some extraordinary diminution in the production of gold and a simultaneous increase in that of silver, nature’s ratio of 15–16 to 1 must continue indefinitely, and that silver remonetized, even by the United States alone, would continue to maintain that steadiness of value which had marked its history for centuries before its rash demonetization in the United States without the authority of our people in 1873.

The monometallists accordingly claim, not that the gold production is falling off, but that the silver production is increasing in a degree that must compel a change of the standard ratio, at the expense of silver. In proof of this claim they refer to the table on page fifty-two of the Mint Report for 1894, that table showing the production of gold and silver in the years 1870 to 1892. It is useless to give the whole table here. Let three years be taken. The production of gold and silver in the world during the years to be named, stated in dollars’ worth on the ratio of 15½ to 1, was as follows :

1870—Gold, \$106,850,000 ; silver, \$51,575,000.

1880—Gold, \$106,500,000 ; silver, \$96,700,000.

1892—Gold, \$138,860,000 ; silver, \$196,459,000.

In the whole period—1870–’92—of twenty-three years the production of gold was \$2,489,962,000, and that of silver, \$2,524,964,000, the excess in the production of silver in the period having been \$35,002,000, or an average of a million and a half a year. It is obvious that these figures fail to show a production of silver threatening to nature’s long-established ratio of 15–16 to 1. In

1870, and for nine years following, there was an abnormal falling off in the production of silver, while that of gold remained steady and largely in excess of silver. Since 1880 there has been a steady increase in the production of both metals, large of both, but larger of silver than of gold. An increase in the production of both metals cannot affect the ratio, unless the excess of one over the other is extraordinarily great. As yet the greater increase in the production of silver has not been sufficient to compensate for the ten years of greater activity in gold. It would require a continuation for as many as fifty or a hundred years of an excessive production of silver over gold, to affect the ratio. For be it kept in mind that the precious metals are not like the annual crops of grain, cotton, and the like articles, consumed in their use, but remain in permanent use for centuries and ages. The parliamentary gold and silver commission of England estimated a few years ago, that the gold and silver in the world in all forms and in all hands was ten thousand millions of dollars' worth of silver and eight thousand millions of dollars' worth of gold. What effect upon this ocean of ten thousand millions of silver could the million and a half of excess a year since 1870 produce upon the ratio? It is like emptying a coffee-pot into the sea. Nature seems to have provided in every period of years an excess of silver production over that of gold to compensate the greater abrasion and loss by casualty, the far greater waste, of the popularly-used metal than that sustained by the carefully-vaulted metal of the bankers.

Nor is there any certainty that in the next ten years there will be an excess in the silver production such as has marked the last ten years. We may again witness an excess in the gold production similar to that which occurred in the decade 1870-'80. It is not for international conferences to divine conditions yet hidden in the womb of the future.

As will have been seen, there was a very large gold production in the decade 1870-1880, and a notably small silver production. Yet, it was then that silver was demonetized by Germany and the United States. There was no pretence that this was done because silver was growing too plentiful; the fear was as to gold. Silver was demonetized to keep up the value of gold, by the contrivance of England, Mr. Pierrepont explains why. The production of gold has continued to increase through the decade 1880-1890; sil-

ver production also experiencing a large increase, which was abnormal, and is now abating. Nature in the two coming decades will, most probably, bring back the wonted equilibrium; but God grant that the production of both metals may continue large, as one of the richest blessings He can bestow upon mankind. (See the Note at the end of this essay.)

THIS REPUBLIC COMPETENT.

The reason alleged against independent action by the United States in restoring to silver the privilege of the mints has been the supposed importance of waiting for a ratio from an international conference. It has been shown that such an expectation is illusory. Free coinage will have to wait, but not for the action of a conference. The bimetalists of the United States, while confident that the action of this country alone would restore silver to full parity the world over, have yet felt that it might be our true policy to let the European nations (Germany especially) feel the pinch of the shoe for awhile, and endure for a year or two longer the curses of gold monometalism before any step on our part be taken. The election of 1896 must intervene before the policy of the United States can be determined, and there will be a further interval of delay between this election and the instalment of a new administration.

So far, therefore, as our own nation is concerned, the question of when to remonetize settles itself. The galled jades must wince—Germany and the States of the Latin Union—until contrition comes, until they are fairly seated upon the stool of repentance for the folly of 1871. Silver has its avenging Nemesis doing effective work for it; a goddess who is supposed to be especially severe upon the proud and insolent; of whom the possessors of unrighteous wealth are the most conspicuous. The accumulation of honest wealth invigorates the State; it is honorable in motive and wholly beneficial in result. The massing of dishonest wealth undermines integrity, demoralizes enterprise, discourages right methods, paralyzes healthy endeavor, and involves the producing classes of society in discontent and unrest. Unrighteous wealth is the upas-tree of modern civilization. It rotted and destroyed the Roman Empire and civilization.

There is no room for any present dread of “silver monomet-

alism," that *pons asini* of Mr. Cleveland. Silver monometalism could only come from an unprecedented excess in the production of the metal, for fifty years or more, concurrently with a meagre production of gold. A great increase in the production of gold and silver, both, would be an incalculable blessing to mankind, and the monometalism of either would be the mere hobgoblin of the demagogue.

The manly masses of our people do not sympathize with the monometalists in their depreciation of "over"-production. Nothing but good can come to the better and worthier classes of society from what is called the over-production of wheat and corn and cotton and iron and coal and gold and silver. What mortal man in all this world (not a monometalist) is afraid of PLENTY? It is not plenty that makes trouble, paralyzes business, and produces hard times. Over-production is always a blessing to the million. What pauperizes mankind is not the undue production, but the wanton destruction of God's best gifts to His creatures. When Providence, in its unbounded generosity to the human race, increases her gift of a metal as precious to the millions as silver, and the minions of mammon, in wanton and impious insolence, make bold to intercept that gift from its intended beneficiaries, REBUKE becomes the duty of the hour. It is the habit of the American people to administer rebuke at the polls to enemies of the public welfare. They will do so in 1896.

[NOTE.]

LARGE YIELD OF GOLD.

Highest Production Reached in Twenty Years.

A VERY PERCEPTIBLE FALLING OFF IN THE OUTPUT OF SILVER—AN INCREASE IN THE PRODUCTION OF GOLD NOTICEABLE THROUGHOUT THE WORLD.

The Director of the Mint, Mr. R. E. Preston, estimates the production of gold by the mines of the United States, approximately, during the calendar year 1894, to have been 1,910,800 fine ounces, of the coining value of \$39,500,000, an increase over 1893 of \$3,500,000, which is the largest amount produced in any year since 1878.

The production of silver from the mines of the United States is estimated to have approximated in 1894, 49,500,000 ounces of the coining value of \$64,000,000, showing a decrease as compared with 1893 of 10,500,000 ounces.

In regard to the product of the world's gold and silver for 1894, the returns are incomplete, but so far as received, show an increase in the production of gold over 1893 of about \$21,000,000, the largest increase being in Africa, viz: \$9,600,000; Australia, \$6,000,000; followed by the United States with an increase of \$3,950,000. Australia leads the list of gold producing countries for 1894, with a production of \$41,000,000; the United States taking second place.

The production of silver in the world, it is estimated, will be from 145,000,000 to 150,000,000 ounces for the calendar year 1894. The heaviest falling off in the production is in the United States, followed by Australia; Mexico showing a gain of 2,700,000 ounces. Mexico also gains in her production of gold \$1,500,000.

PRODUCTION OF GOLD BY STATES.

The director estimates the production of gold by States and Territories during the calendar year, 1894, as follows:

State.	Fine Ounces.	Value.
Alaska.....	53,863	\$1,113,350
Arizona.....	86,324	1,784,475
California.....	656,468	13,570,397
Colorado.....	459,152	9,491,514
Georgia.....	4,728	97,736
Idaho.....	100,000	2,081,291
Michigan.....	2,150	44,444
Montana.....	176,637	3,651,410
Nevada.....	55,042	1,137,819
New Mexico.....	27,465	567,751
North Carolina.....	2,254	46,594
Oregon.....	68,792	1,422,056
South Carolina.....	4,733	97,832
South Dakota.....	159,594	3,299,100
Texas.....
Utah.....	41,991	868,031
Washington.....	9,438	195,100
Alabama.....	1,495	30,903
Maryland.....		
Tennessee.....		
Virginia.....		
Vermont.....		
Wyoming.....	1,910,813	\$39,500,00
Total.....		

AMOUNT OF SILVER PRODUCED.

The estimates of silver produced by the same States and Territories during the calendar year is as follows:

	Fine Ounces.	Coining Value Measured in Gold.
Alaska.....	22,261	\$28,728
Arizona.....	1,147,204	1,483,254
California.....	717,368	927,506
Colorado.....	23,281,399	30,101,203
Georgia.....	325	420
Idaho.....	3,288,545	4,251,860
Michigan.....	35,122	45,410
Montana.....	12,820,081	16,575,458
Nevada.....	1,035,151	1,338,377
New Mexico.....	632,183	817,368
North Carolina.....	352	455
South Carolina.....	305	394
Oregon.....	26,171	33,837
South Dakota.....	58,937	76,248
Texas.....	429,314	555,073
Utah.....	5,891,901	7,617,812
Washington.....	113,160	146,308
Alabama.....	182.	235
Maryland.....		
Tennessee.....		
Virginia.....		
Vermont.....		
Wyoming.....		
Total.....	49,500,000	\$64,000,000

TOTAL VALUE OF BOTH METALS.

The total value of the gold and silver produced by States and Territories during the calendar year is as follows:

State.	Total Value Gold and Silver.
Alaska.....	\$1,142,332
Arizona.....	3,267,729
California.....	14,497,903
Colorado.....	39,592,717
Georgia.....	98,156
Idaho.....	6,333,141
Michigan.....	89,854
Montana.....	20,226,868
New Mexico.....	1,385,119
North Carolina.....	47,049
Oregon.....	1,455,893
South Carolina.....	98,233
South Dakota.....	3,375,348
Texas.....	555,073
Utah.....	8,485,843
Washington.....	341,408
Alabama, Maryland, Tennessee, Virginia, Vermont, Wyoming.....	31,138
Total.....	\$103,500,000

The World-Wide Business Paralysis and its Cause.

ELECTIONS CANNOT CURE THE ILL.

IT IS GROWING IN INTENSITY, BREEDING SOCIAL
UNREST AND THREATENING SOCIETY.

[NOTE.—Mr. Barr Robertson, one of the highest authorities on the subject, said uncontradicted, at the meeting of the Royal Society of Arts in London, on January 19th, 1893, that “the transfer of wealth from the landed and propertied classes, and from the mercantile, manufacturing and producing classes generally, in the United Kingdom of Great Britain and Ireland, to the holders of securities, mortgages, annuities and the like, cannot be less than two thousand millions of pounds sterling (ten thousand millions of dollars), due solely to the appreciation of gold. Such a colossal increment as has accrued to the holders of securities, valued in gold, during the last twenty years in Europe and the United States, amounting to not less than seven thousand millions of pounds sterling (\$35,000,000,000), is entirely unparalleled in the history of the world; all other questions sinking into utter insignificance compared with it.”]

NORFOLK, VA., NOVEMBER 18TH, 1894.

To the Editor of the Norfolk Pilot:

In what follows I shall use freely of language not my own. I shall employ that of some of the most conspicuous men of our times. The severity of the existing depression in all business will, in our country, under the influence of the recent elections, be slightly modified, but it will not be relieved—it will continue indefinitely.

BIMETALISM ALMOST UNIVERSALLY DESIRED.

Not only America, but all Europe is in trouble. Everyone admits that the world stands on the edge of revolution, social and political, but everyone shrinks from it. Neither north nor south, east nor west, neither capitalist nor laborer, wishes to create caste

or classes, or to spread misery, oppression or violence. We all see danger before us. We all desire to avoid it. Our only dispute is about the path.

To those who have had chiefly in mind the struggle between silver and gold, that is the question which, for the moment, presses hardest. The single gold standard seems to be working ruin with a violence that nothing can stand. If its influence is to continue for the future at the rate of its action during the twenty years since the gold standard took possession of the world, some generation, not very remote, will see in the broad continent of America only a half dozen overgrown cities keeping guard over a mass of capital, and lending it out to a population of dependent laborers on the mortgage of their growing crops and unfinished handiwork. Such sights have been common enough in the world's history; but against it we all rebel. Rich and poor alike; labor and capital; railways, churches and colleges—all alike, and all in solid good faith, shrink from such a future as that.

This agreement is the best part of the situation. Even on the burning ground of silver and gold, we agree in principle. No party and no party leader has ever approved of the single gold standard. Not one American in a hundred believes in it. We are more unanimous in hostility to it than we are on any other question in politics. A vast majority in all parties agree that the single gold standard has been, is, and will be, a national disaster of the worst kind. What is still more strange, almost the whole world sympathizes with us. Nine-tenths of mankind are hostile to the single gold standard. Our 70,000,000 people are unanimous against it. Most of the great European nations and their governments dislike it. South America rejects it. The whole of Asia knows only silver, and India, which contains five-sixths of all the subjects of the British crown, is as hostile to it as ourselves. Yet the bankers of London have said that we must submit, and we have submitted.

So strange a spectacle has never been seen in our history. Argument, and even the compulsive proof brought by world-wide ruin, seems to be helpless against this astonishing power. What is the use of argument when we are all convinced, and when at least nine-tenths of the civilized and uncivilized world agree? England holds us to the single gold standard, by the force of her

capital alone, more despotically than she could hold us to her empire in 1776. The mere threat of her displeasure paralyzes mankind.

The most instructive point of all is that our great majority consists of the interests in the world which have been from time immemorial reckoned as the safest and most conservative.

The whole agricultural class; the whole class or classes of small proprietors, the farmers that make the bulk and sinew of our race; the artisan whose interests are bound up in the success of our manufactures; all these join hands with what is left of their old enemies, the landed aristocracy of Europe, to protest against a revolution made for the benefit of the money-lenders alone.

On the other hand, that revolution is more radical than any which has been accomplished by professed revolutionists. Had all the despotic governments that have existed in a thousand years united their intelligence to set class against class, to breed corruption, to stimulate violence, and to shatter the foundations of society, they could have invented no device more effective than this decree, which at one stroke doubled the value of capital, destroyed the value of industry, and swept the small proprietor everywhere into bankruptcy.

The whole conservative force of the world protests against so violent and despotic a change. We protest against it the more because we know enough of politics to fear the reaction against such extravagance. We see the risk to which the gold mania is exposing us. We have reason to know the popular feeling, and we do not believe that the single gold standard can be long maintained. We want real money—coin—carrying intrinsic value; yet if England succeeds in her obstinate effort to destroy the value of silver for coinage, nothing can save us from paper. England may well succeed; she seems already to be on the point of success greater than her government wanted; and in that case, irredeemable paper stares us squarely in the face.

THE SITUATION GROWS GRADUALLY, CONTINUOUSLY WORSE.

The great trouble of the times is not merely the depression of prices, but their continuing, unceasing fall. This fall began with wheat and cotton, in consequence of the fall of silver in connec-

tion with British India as explained in my former letter. The demonetization of the white metal took immediate effect on agriculture, American agriculture chiefly, but agriculture in Europe as well. This continued drop in prices has been consequent upon, and is mainly due to the great monetary changes which resulted in the abandonment of the bimetallie system, under which the entire business of the world was carried on prior to 1873. In order to arrest this continuous and progressive fall it is necessary to revert to the system which prevailed up to 1873, under which the summit of agricultural and industrial prosperity was reached and maintained not only in the United States but throughout Europe.

The most alarming feature is that already mentioned of its being progressive, no one being able to foresee where it is to end. If we could foresee, if we could be assured that prices had at last touched bottom and that, low as they are now, prices would remain stable and steady in the future, then it might be possible to conduct our agricultural and industrial operations on a business-like and stable basis. Fresh arrangements could be made, a general adjustment would take place in rent, in wages, in expenses and in all outgoings, and business would go on as before. It would be a terrible state of things and it would entail enormous suffering. The present generation of farmers and cultivators would most of them be ruined and pass away; but still, if once you could be certain that prices had touched bottom, why, then, after a general readjustment, industry could go on and be prosecuted in the future, always upon the condition that prices had reached their lowest level and could be counted upon to remain steady in the future. But that, unhappily, is not the case.

The fall of prices has been continuous now for many years, and it is still progressing. In order to see this we have only to look at the evidence of what is known as the system of index numbers. Many different tables of prices have been compiled in recent years upon this system by a number of eminent men. The best known of them are the tables of the *Economist* newspaper, of Dr. Soetbier, of Mr. Giffen, of Dr. Sauerbeck, M. Palgrave and others, and they all show very much the same result, namely: That the prices of commodities generally have been steadily falling now for many years. The latest table I have seen—that of Dr. Sauerbeck—shows that from 1873 to 1893 the fall has been rather over 40 per cent.,

and it still continues in 1894. Take the case of one article alone, of wheat, for instance. Not many years ago, an agricultural association in England, alarmed at the continual fall of wheat, sent over to the United States two highly intelligent commissioners to report upon the prospects of the future price of that grain.

The two gentlemen went back and reported that there was no likelihood of the price going below 40 shillings a quarter (eight bushels) in the future, that being equivalent in our currency to about \$1.20 a bushel. The prediction has not been realized. Wheat has been going down steadily ever since. In May last the following was one of the commercial announcements :

“Messrs. Ralli Bros. sold recently red Kurrachee wheat, May and June shipments, to Hull at 19s. 3d. per 492 pounds. This was superior and would make fair average quality worth only 18s. 6d. Similar quality three years ago would be worth 38 and 39s. a quarter. Nineteen shillings three pence is the lowest price Messrs. Ralli Bros. have ever sold wheat at.” This is equivalent to about 53 cents a bushel, and the fall still continues.

THE DISEASE OF PRICES IS NOT OVERPRODUCTION.

Some wise men ascribe this continual fall to overproduction, insisting that there is no mystery about the fall at all; that the thing is very simple; that vast areas of fertile and virgin soil are cultivated now in all parts of the world which formerly grew nothing; that there are more railways, cheaper freights, and greater facilities of transport everywhere; and that all that we are suffering from may be summed up in the word, “overproduction.” When people talk of overproduction, they always seem to forget that *pari passu* with the increase of commodities there has been an enormous increase also in the population, and in the needs and requirements of the world. If they mean by overproduction that the ratio of the increase of commodities has been out of all proportion to the increased requirements of the world, why, then, I do not believe them. And certainly no one has ever given the smallest proof of that very common, but that very loose and vague assertion.

Have we ever considered what the increase of the population of the world is supposed to be every twenty years? I saw an estimate

upon this point the other day. According to that estimate the increase in the population of the world every twenty years amounted to no less than 200,000,000 people, and rather more; 10,000,000 a year. Now, just consider what that means. The whole population of England is only about 30,000,000, and therefore it is much the same as if some six or seven new Englands had been added to the world in the last twenty years. And, if they had been, what sort of increase in commodities would be wanted to supply them?

But, in connection with this subject, the tables of wheat statistics show the total yield of the world's wheat crop for 1891, 1892 and 1893 to have been 304,000,000 quarters for 1891, 300,000,000 for 1892 and 288,000,000 for 1893, showing a steady decrease in production. What the English call a quarter of grain is equal to about eight bushels. The Liverpool prices, on the other hand, were 41s. per quarter for 1891, 29s. for 1892, and 25s. for 1893, showing an enormous fall in prices. So here we have a fall in price of 40 per cent. in wheat, in spite of a decrease of production and in spite of a large increase in population and demand. In the face of figures such as these, it is idle to talk of the fall in prices being due to nothing but overproduction. No, the more we sift, and the more closely we examine into this question, we will find that there is only one thing which is able to sufficiently account for the enormous and unprecedented change which has occurred in prices during the last twenty years; and that is the change which has occurred, not in production nor in commodities, but in the value of money itself: entirely due to the great monetary revolution which occurred some twenty years ago in our country and upon the continent of Europe, and to the abandonment of the bimetallic system by which it was accompanied at that time.

THERE IS NO GOLD TO TAKE THE PLACE OF THE DISCARDED SILVER.

While silver depreciates under the influences that I have abundantly described, dragging wheat and cotton down with it, and thereby cheapening correspondingly all material property, there is no hope of any check to this continual fall of prices from any probable increase in the quantity of gold in use in the form of money coins. One of the ablest and most trusted statisticians of the present day is Professor Edward Suess, of the University of Vienna, who has made an exhaustive examination of the facts of

the production of silver and gold in the world, and of the consumption of these metals. He concurs with Dr. Soetbier, an equally distinguished scientist, in saying that the consumption of gold for plate, ornaments and use in the arts, is now about equal to the annual production, with a prospect of becoming greater, and that there cannot be any increase hereafter in the amount of coined gold to keep pace with the world's growth in population and trade; remarking: "We have already reached the day, or approached very close to it, when mining will yield less than industry consumes.

"From that day forward the whole new production no longer counts for monetary needs, and from that day forward industry will withdraw from the stock of money an amount of gold increasing annually with the increase of well-being." In another place, repeating a declaration made in 1877, he says that "the production of gold will diminish permanently and in extraordinary degree; and that to-day, even more distinctly than at that time, events are showing that this metal, with constantly increasing rarity, will no longer be able to maintain its past economic position." I myself add the corollary. Either the circulating medium of the world must chiefly consist of fiat paper, pure and simple, or it must be silver.

MONOMETALISM AN INVENTION AND INNOVATION OF THE LAST
TWENTY-FIVE YEARS.

No fact in economics can be more obvious than the necessity of a return to the policy of bimetallism. There are a good many well-meaning people of the present day who believe that bimetallism is something new; but it is as old as the history of mankind. Gold and silver have formed the joint money of the world since the earliest ages of man; and did not even partially cease, that is to say, did not cease in even Europe and the United States, until twenty years ago.

What is bimetallism? In the United States no other power than the federal government can declare what money is, and by so doing, make that money legal tender for the payment of debts between man and man. Generally, the government declares nothing but gold and silver coins, accurately described, to be legal

tender money. In rare emergencies it resorts to be expedient of declaring its own treasury notes—greenbacks—to be legal tender, but this is seldom done. Gold and silver coins are in general the only legal tender money. It is not all such coins, however, that are made legal tender.

The government imparts this function only to coins struck at its mints. A private citizen may manufacture a gold or a silver coin precisely like that issued from the mints in weight and fineness; and yet that coin would not be money; it would be only merchandize, and would bring in the market only what the same weight of metal is worth there.

These coins of the mint, therefore, have an attribute imparted to them by law, varying them from the material of which they are composed. That is to say, they have the legal tender attribute; it is the fiat of the law which gives them a value different from that which the metal of which they are composed possesses. This difference is generally very small, the intrinsic or market value of the metal in the silver and gold coins being very nearly the same as its money value. Of late, however, since Great Britain succeeded in procuring the demonetization of silver in this country, and thereby bringing about a heavy depreciation of that metal in Europe and the United States, silver as a commodity is worth much less than our legal silver coins. The fiat of law makes the American dollar worth 100 cents, while the cunning of John Bull has made the same quantity of metal worth but little over half the money value.

Mr. Bull's first success was very signal. Our mint act of 1873, whose passage he secured, demonetized not only silver bullion by denying to it the privilege of the mints; but reduced our silver coins to bullion value by providing that those for less than a dollar should not be legal tender for greater payments than \$5; and by actually divesting the dollar coins of power to pay any debts whatever. Five years afterwards, however, the Bland act managed to get through Congress, by which the American dollar, the silver dollar of our own mints, was re-invested with the legal tender function.

WHAT BIMETALISM IS AND WAS.

So much for our silver coins already minted and most of them

in circulation. Nevertheless, silver itself is still demonetized in the United States. The law of the land so provides, that if gold is taken to our mints they are bound to receive it from any person whatever in any quantity, and to return it to the owner coined at the rate of 25 8-10 grains to the dollar free of charge. The result is practically all the gold of the country, not used in the arts, is converted into money coins having the legal tender function. Another effect is to make all gold in the country, whether coined or not, worth its money value.

The case was the same in regard to silver until twenty years ago. Every and any owner of the metal could take it to one of the Federal mints and it would be coined at the rate of 412½ grains to the dollar and returned to the owner in the form of coins without charge. The operation of this law was to make all silver in the country worth its coin value. Until this privilege of the mints was denied to silver, our laws of coinage and legal tender held gold and silver to an exact unvarying parity of value, at the ratio of 412½ to 25 8-10, or 16 to 1. These laws giving equality of privilege in the mints to the two metals had existed here since our government was formed, and in Europe for a hundred, nay for hundreds of years, holding gold and silver to the legal tender parity of 16 to 1 in this country, 15½ to 1 in Europe, and 15 to 1 in Asia; with so little variation as to be inappreciable, always more in favor of silver than of gold. There was never complaint of any serious variations of either metal from these relative values. Under the influence of mintage and coinage laws the parity was maintained automatically in three continents. There was never complaint, and the unfailing steadiness of this parity was one of the greatest blessings to the world ever resulting from the wisdom and honesty of man.

Since 1873, alas, all this has been changed. Silver has been boycotted; the mints of the government have been closed to it; it has been steadily and continually going down in value, dragging down with it the prices of all sorts of material property. Bimetalism was discarded. Monometalism was enthroned—the *Iliad* of incalculable woes to mankind.

INSANITY OF THE FEAR OF TOO MUCH SILVER.

There is but one remedy for the universal troubles, mercantile

and financial. It consists in a return to the policy of centuries anterior to the accursed year 1873—in a return to bimetalism. I shall now consider the stock objections, the stereotyped pretenses that are urged against this return. It is insisted that the amount of silver annually produced is so great as to render its appreciation to its former value impossible, even under mintage, coinage and legal tender laws passed for that object.

Well, the production is about \$175,000,000 worth a year at par estimation. The production of gold is about \$165,000,000 worth. We have already seen that the stock of gold money in the world in the form of coins cannot be expected to increase hereafter. So that the only possible increase in the metallic money stock must hereafter come from silver. For a number of years the silver production per annum has been materially increased; but not incommensurately with the increasing wants of the growing population, trade and wealth of nations. The consumption annually of this product in ornaments and in the arts has, like that of gold, increased in greater proportion than that of production, and the surplus left for money is not large enough to frighten the most timid economist; is not large enough, if silver were remonetized, to produce money enough for general use. The production might increase beyond all past experience, and still the increase be necessary to the growing needs of mankind.

But the real question, the over-ruling factor in the case, is not what is the annual production of this metal or of the two precious metals, but what is the total mass of each of them already in existence? The celebrated report to the British Parliament of the gold and silver commission which was appointed by that body a few years ago, gave us valuable information on that subject. There the estimate of the mass of gold in existence in the world, five years ago, was \$7,750,000,000, or in round numbers, \$8,000,000,000—eight thousand millions of dollars' worth. Silver, on the other hand, was estimated at a little under \$10,000,000,000—ten thousand millions of dollars' worth. Suppose, therefore, that the silver product not annually consumed in the arts and in plate and ornaments were as much as \$75,000,000 a year. What is seventy-five in ten thousand? It is only three-quarters of 1 per cent., and it is a very big coward who would be scared at such an increment.

The money metals are chosen as such because of their quality of indestructibility from rust and minimum loss from abrasion. They do not perish and are not annually consumed. A crop of wheat is consumed every year. A great increase or decrease in the annual crop of any cereal makes a question of plenty or famine. But the mass of gold and silver is the accumulation of centuries. Some of the gold now in use, however often it may have been re-coined, existed probably in the days of Solomon or even the Pharaohs, and the annual additions to the enormous mass are comparatively unimportant. The greater the increase of both metals the better. Let the fellows that dread a plethora of silver go to bed, cover up their heads, and the imaginary ghost will pass them by, blessing instead of harming them in their dreams.

A CHANGE OF THE RATIO IMPRACTICABLE AND USELESS.

Another imaginary trouble is in fixing upon the ratio of the two metals. Men who have been good bimetalists, but have been hypnotized by the monied Octopus, insist upon an international agreement on the question of the ratio. The demand is a pretense. There cannot be any change of the old ratio. All the silver coins in the United States, Europe, and the greater part of Asia, have been coined on that ratio; and a change would require the recoinage of possibly a thousand millions of dollars' worth of existing silver coins. The task would be as useless as it would be costly, if practicable. It is not to be thought of. If practicable, it would be inexpedient. The American gold dollar is already too small. All of those which go to Europe are melted down and re-coined into European money. Even our quarter eagles are already too small. They are easily confounded in the dark with ten-cent silver pieces. On the other hand, the silver dollar is full large enough already. So is the silver half-dollar and quarter-dollar. Any increase of size in our principal silver coins would make them too large; they must remain as they are.

No, the ratio must remain unaltered. Each nation must let the laws affecting it stand as they are, and as they have stood practically for centuries. If the United States, in re-monetizing silver, so determine, the other nations will be obliged to follow suit; France will do so with cheerful alacrity; and these two powers

control the question. The difficulty of fixing a ratio is imaginary. Let it be relegated to the limbo of false clamors.

THE TERRORS OF A PURELY IMAGINARY DUMPING.

Finally, there comes the "dumping" objection, but the "dumpers" are a rather silly lot. The course of the silver stream is this: It rises in America, flows through Europe, and debouches into the ocean of Asiatic populations. Nothing flows up stream, and the current of silver is not an exception to the general rule.

In America, where it is produced, the ratio of silver to gold is 16 to 1; that is to say, it takes sixteen times its weight in silver to be equal here to a dollar of gold. In Europe it takes only $15\frac{1}{2}$ times that weight. In India it takes still less, only 15 times as much. There is no natural tendency, therefore, of silver to flow either from Europe or India hitherward, and to dump itself here. The mathematics of the dumping apprehension is very bad.

The silver of Europe, as before indicated, is coined on the ratio of $15\frac{1}{2}$ to 1; whereas American coinage is on the ratio of 16 to 1; and as the bulk of European silver has been in use a great many years, it has probably lost an average of 3 per cent. by abrasion. Here is a dead loss of 6 per cent. on every dollar's worth of European silver if dumped in this country, to which must be added freight and insurance. But this is not all that is to be said. The European coins could not be offered to our mints. The one-tenth alloy which they contain would have to be extracted—a loss of 10 per cent.—and the extraction would cost another 5 per cent., making a loss and cost of not less than 22 cents before the dump could reach our mints, the total loss on every dollar's worth of European silver brought over here being not less than 32 cents. Foreign Speculators would have to sell for 68 cents the silver which cost them in Europe a dollar in gold.

In India the ratio is 15 to 1, and an ounce of silver there is equal to 1 $\frac{37}{100}$ in gold; so that a dollar there would contain $348\frac{1}{3}$ grains of pure silver, against $359\frac{91}{100}$ grains in Europe, and $371\frac{1}{4}$ grains of pure silver in the American dollar of $412\frac{1}{2}$ grains of alloyed metal. Hence, to send silver from India here would cause a loss of 8 cents an ounce. The dumping fright is

therefore over a bug-a-boo; and the whole enquiry is as idle as it would be to consider what would happen if rain should fall from the earth to the skies, or if the James river should reverse its course and flow up to Glasgow.

I have said enough to show that a return to the policy of bimetallism is inevitable, The only question is, when will the return take place? Shall it be deferred, as M. Cernuschi believes it will be, until after a general cateclysm in prices and property; until the masses of mankind are reduced to pauperism; until civil revolution is muttering its thunders all around the horizon; until socialism takes root in every community; until anarchism has recruited an army, unfurled its flag and planted its assassins in every capital city of the civilized world; or shall the effective remedy be applied before such calamities have fallen upon the nations of the earth? That is the present form of the question of bimetallism.

The United States, acting alone, can give relief to the world by re-establishing the financial policy of the fathers, and undoing the detestable fraud of 1873. Ho! for the blessed year 1896.

The Disfranchisement of the Money of the People.

NORFOLK, VA., DECEMBER 2d, 1894.

To the Editor of the Norfolk Pilot:

The currency platforms of the two great political parties of the country in 1892 were substantially the same. Both were bad enough, but the Democratic was worse than the other. They were deceptive. The conventions which adopted them were honest, but were victims, not authors, of the deception.

The fundholders of Lombard Street, through the Tories of Wall Street, devised these platforms. That of the Democrats was this: "We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal, or charge for mintage." This was the true American part of the plank.

To it was appended this Tory clause: "But the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals," etc., etc.

In the vulgar parlance of present times, we have a recently adopted word, *faque*, which means some mountebank trick, artful dodge or false pretense. The Tory clause of the party platforms contains two *faques*. The first is this: The clause makes the resolution read substantially: "We demand the free and equal coinage of gold and silver in our mints free of charge, provided that Great Britain gives us leave to do so in the form of an international agreement to which she shall be a party." And Great Britain is predetermined not to give us leave.

There can be no international agreements without international conference. So that, first, you must get a conference; and then you must get an agreement. Mr. Harrison tried the expedient of a conference. Great Britain allowed him to call it. She took

good care to be at Brussels in 1893 with her delegates. Whoever will take the trouble to read the proceedings of that body will be able to arrive at but one conclusion; which is, that it was Great Britain who broke up the conference at Brussels. That opinion is confirmed by what has since happened. Germany was supposed to be the greatest obstacle; but the popular opinion of Germany is now strongly in favor of bimetalism. Count Caprivi was reproached in the German parliament last December for the conduct of the German delegates at Brussels. What was his reply? He said that "the government, seeing that the conference was doomed to failure had been unwilling to entangle Germany in a fiasco." And why was it doomed to failure? He went on to say, "Without Great Britain, nothing could be done, and under the present prime minister (Gladstone) there was no chance of anything being attempted."

Since then, during the present year, Germany has appointed a commission of her own. France is now, as she has always been, bimetallic; and President Cleveland has asked and has obtained from Congress general powers to summon another international conference whenever he pleases. He, however, has never yet exercised these powers; being interdicted by the Tories of Wall street, at the command of England; who is the great impediment to a glad return of the nations to the bimetallic policy.

Great Britain contrived to have inserted in the national platform of both our great political parties, in 1892, a clause practically requiring her consent to the free coinage of both the precious metals in our mints. And that is the situation. That is the "condition which confronts" Mr. Cleveland. He must account in his coming message for his failure, obediently to the behest of his party, for nearly two years, to call an international conference; and if he is candid with the country, he will say that his reason is the same as that of Germany; that England, by her diplomacy, interdicts it. He ought to proclaim that the time has come for another "Declaration of Independence;" but I have no hope that he will do so. The same malign influences which inserted the Tory clause in the Democratic and Republican platforms of 1892 dictated the nominations of Harrison and Cleveland; and they were sure of their man, whichever one might be elected. Are we a free people? Echo answers, free people? Free people!!!

In refreshing contrast with the tory clause in the party platforms which I have given, I insert an utterance having the true American ring. It is the leading resolution of the American Bimetallic League, just adjourned at St. Louis :

“Whereas it is an indisputable fact, that the monetary revolution inaugurated in 1873, by changing the money standard from gold and silver to gold alone, has resulted, in twenty years, in doubling the value of money and reducing the general level of prices 50 per cent. ; therefore this conference calls upon the advocates of monetary reform everywhere to make monetary reform the paramount issue, and to vote for no candidate who is not in favor of the free coinage of both gold and silver at the ratio of 16 to 1, as it existed in this country from the foundation of the government, and for indefinite ages throughout the civilized world until 1873. Americans must act for America, independently of what other nations may do or may not do.”

For one, I agree with the American bimetallic league. For one, speaking, I trust, in the spirit of an American patriot, I declare that I would rather have free coinage in our American mints without the permission of Great Britian than with it; without international agreement than with it.

The other faque in the Tory clause of the party platforms is this: The parity of the white metal with the gold was destroyed by denying to it the privilege of the mints; and the metal, as metal, cannot regain that parity until the privilege of the mints is restored to it. Lombard and Wall streets well knew this fact; and yet they made both of our great political parties put the cart before the horse, and demand that the privilege of the mints should not be restored to the silver metal until it had beforehand regained its parity with gold, the bankers' money, which alone enjoyed it. The faque is transparent.

Distinguished and trusted statisticians show that the debts of the civilized world, public and private, aggregate in amount between one hundred thousand, and one hundred and fifty thousand millions of dollars. It requires the use of all the gold and silver in the world available for money so to manipulate these debts of mankind as to make them an easy burden to the populations on which they rest.

Gold and silver are made available for this benign and necessary purpose by two expedients; namely, by legal tender laws, and by being officially coined at a parity fixed by coinage laws. Neither

metal can perform the functions of money unless made legal tender, and unless fixed in relative parity by official coinage, in conformity with well-digested coinage laws.

If either metal is deprived of the privilege of official coinage, it ceases to be money, and at once loses its parity with other metal. But restore that parity, and such is the need for it as a means of manipulating the vast, innumerable, and multiform debts of mankind, that it immediately leaps to parity, and retains it, as before 1873, fixed unchangeably.

I will stop here, for a moment, to consider why, until 1873, silver always maintained, and often more than maintained, its parity with gold.

An old stock argument is this: "You cannot retain a fixed ratio between gold and silver any more than you can between any other two commodities. You cannot interfere with the laws of supply and demand. The thing is impracticable." This is absolutely true; but those who so insist appear to be ignorant of what is perhaps the most elementary fact of our contention, viz: that the bimetallic theory affords the most perfect and most striking instance of the operation of this law; and I believe I am right in saying that that is the opinion of every professional teacher of political economy in England at the present time, who are all bimetalists. What we say is this, that the law can enact that either or both of the metals shall be legal tender for debt. That we know, because it has been done effectually for ages. And thereby the law creates what is and what has been the chief demand for the precious metals, namely, for the purposes of money. The law can also enact that they shall be legal tender at a given ratio between the two; for this, also, has been done, and done effectively, in all the past. Now comes the question, how is the ratio maintained? The answer is, that debtors always try to pay their debts in the cheapest way they can; that is to say, in whichever metal is cheapest. What do these debts amount to? I have already said that the aggregate amount of the debts of the world is estimated at something between one hundred, and one hundred and fifty, thousand millions of dollars. Consequently, if either metal falls, for any reason, below the legal ratio, there will be an immediate increase in the demand upon it for the purpose of the payment of debts. The increased demand produces its natural effect.

The metal which has shown the tendency to fall, returns under the demand to the normal, or rather, I should say, the legal level. Formerly it was gold (at the time of the gold discoveries forty years ago). More recently it has been silver, the production of which of late has much increased, although in nothing like the same proportion as the production of gold increased in former days.

And in this way an automatic action is set up, which not only keeps the relative value of the metals steady, but makes it impossible for them to vary, except within the smallest limits. If a great increase in either metal should occur and begin to have the least effect, the parity is immediately restored by the operation of the natural law. And this explains at once the practical stability of the ratio during the long periods antecedent to 1873, when the variation in the production of the metals was infinitely greater than it has ever been since then. I feel that I ought to apologize for repeating this fundamental argument in replying to the antiquated objections with which we are assailed.

But the wholesome operation of this great law of supply and demand loses its power to maintain the equilibrium described, when either of the metals is denied the free use of the mints, the unrestricted benefit of legal tender laws, and the impartial use of them by government, in public receipts and disbursements. All this is so plain that one distinguished economic writer has said that none but dunces will stickle for intrinsic value in the money metals, except rascals.

Free coinage of both metals is therefore essential to the restoration of this parity; and the best way of restoring free coinage to silver, is to restore it.

Some half a century ago or less, after there had been a long suspension of specie payments, the country resolved to decree a general resumption by the treasury and the banks. There at once arose a wild babel of advice in regard to silver reserves, gold reserves, how the swollen volume of floating notes should be corralled, and how the hysterical banks should escape the gorgons, hydras and chimeras dire, which they saw infesting the path of resumption. At last a doughty old man by the name of Horace Greely, who professed to know nothing about finance, and who had become wearied with the palaver of bankers, wise and otherwise,

astounded the clamoring tribe and comforted the country, one morning, by proclaiming that "the best way of resuming specie payments was to resume." His advice was adopted. Resumption immediately took place. Resumption was accomplished, despite of the bankers and to the dismay of the faquers—by resuming.

Important as that question was, it sinks into insignificance in comparison with the question of restoring to silver metal the privilege of the mints, and allowing it to perform its God-given function of rendering easy and facile to mankind the burden of the debts amounting to a hundred thousand millions of dollars which rest upon their stalwart shoulders. Not to restore this privilege to this metal is to commit a fearful crime against humanity.

Mr. Cleveland will doubtless say a good deal about a debased currency, in reference to our silver coins. In America we are totally unfamiliar with base coins. The laws allow any man who has coins that have become worn and light of weight to return them to the mint and to receive their nominal equivalent in new, full-weight coins in exchange. This privilege was unknown in England in former times; and that country was full of abraded coins (chiefly silver, because they were the money of the populace) to such an extent that a "slick shilling" was a term of abomination. The worn coins became a public curse, and Macauley graphically describes the evil of them in one of his essays. But such coins are unknown in our country. No others have circulation amongst us than those struck by our mints, and these coins are worth full par by the legal tender and coinage laws of our country. Therefore, to reprobate these coins as base is to denounce the law of the land as sanctioning a fraud; and such denunciation would not be entirely becoming in the chief executor of those laws.

But if the metal in our silver coins is not worth, as metal in the market, the value which the law of the land gives it in the form of coins, everyone knows that this result has been superinduced by the grossest fraud ever perpetrated since gold and silver coins, stricken by national mints, became the money of civilized nations.

In all our ante-'73 history, silver not only held its parity with gold at 16 to 1, but was always more or less above par, in consequence of its being the favorite money of the people, much more largely and continually used in transactions between man and man,

than gold, the money of bankers and of their vaults. It was the fraud of 1873 that depreciated silver, and it is the perpetrators of that fraud sent over from Lombard Street, and their American leash hounds, that are now in hue and cry after the American dollar as a "base coin."

There can be no doubt of the fact that the great body of the voters of the Democratic party are bimetallic. There is just as little doubt that Mr. Cleveland is violently monometalic. His policy against silver has been extreme. He forced the repeal of the Sherman act, by which repeal the treasury was required to suspend its purchase and coinage of the surplus silver of our mines to the amount of \$54,000,000 a year, and issuing for it the same amount of greenbacks; thus painfully restricting the currency.

His policy of borrowing gold on new issues of government bonds, for the purpose of paying maturing paper obligations of the government in that metal, rather than in silver, is in the same line. His fad is to maintain inviolate a gold reserve of a hundred millions of dollars. He has erected his reserve into a juggernaut before which all other interests must bend obeisance, and under whose remorseless wheels every opposing interest must be crushed.

The law, and the tenor of the bonds, make these obligations of the government payable in coin, but silver coins are ignored and degraded, and gold coins only employed in the payments. It is an ominous sign that John Sherman is in daily conference with Mr. Cleveland about the forthcoming message.

The result is: Mr. Cleveland will have to recommend in that paper the withdrawal and final destruction of the entire greenback circulation of the country, now amounting to \$346,000,000. They are payable in coin, and although they are the most popular money ever enjoyed by the people of the United States, and are never, by the people, presented for redemption, yet in the hands of the bankers they are a perpetual menace to the hundred million gold reserve, our monometalic Juggernaut, and must therefore be retired.

Obliged to make this recommendation, it must follow that Mr. Cleveland must recommend the substitution of bank notes in the place of the greenbacks, and suggest some such scheme of banking as the Octopus blocked out in Baltimore the other day. Govern-

ment bonds will be the basis of the new bank circulation, and, as a sop to Cerberus, it will be recommended that a certain percentage of the silver coins shall constitute a part of the reserves of the banks issuing the new currency. Another sop will be the repeal of the ten per cent. tax. Under this system, it will make, not the government the regulator of the amount of money to be circulated in the United States, but the banks, and we shall have a continual succession of plethoras and stringencies in the money market, until a second Andrew Jackson shall rise in the land, and declare that the people shall be masters, not slaves, of the money gods.

I shall discuss the new policy of selling bonds to get gold in full detail at some future time. The saddest feature in the whole matter of the demonetization of silver in the United States, and in the movement for the restoration of it to the full functions of a money metal, is the fact that among the statesmen holding exalted positions of trust, responsibility and power in our government, there are a few, and not few enough "incorruptible" millionaires recently and suddenly millionaired; and that there are others, many or few, who are candidates for the manipulation.

India and the United States.

THE RUPEE—SOME CONSEQUENCES OF OUR DEMONETIZATION ACT—THE HAWAIIAN QUESTION.

NORFOLK, VA., NOVEMBER 3d, 1894.

To the Editor of the Norfolk Pilot:

I comply, in the following paragraphs, with your request for an expression of my views on the later phases of the silver question. I write earnestly, but sorrowfully. The contemplation of the facts to be narrated makes my task a sad one, but I shall write with what spirit the exasperating topic may provoke.

British India is nearly as large as all Europe, excluding Russia and Turkey, containing more than 200,000,000 of people, and possessing latent and patent resources surpassing estimation.

Its productions are almost exclusively agricultural, and its chief staples are wheat and cotton. These facts make this great dependency of the English crown a rival of the United States in the produce markets of Europe; India is practically our only rival.

In the competition between the United States and British India, in the production of wheat and cotton, the United States held the advantage up to 1873. John Bull had tried to destroy this advantage by inciting a crusade against African slavery in the Southern States, and thereby gradually bringing on a bloody and destructive conflict of sections in our country. He had discovered a mote in Brother Jonathan's eye in the form of slavery, and had brought a world of trouble on his American brother in extracting that mote. But his victim survived the trouble. The blood, carnage and desolations of civil war failed to destroy our great industries. The negroes went lustily to work on cotton, and produced as much of it after the civil war as before. The cultivation of wheat grew apace all through the Union, the production increasing marvelously under the influence of steam plows, steam reapers and steam threshers in the hands of stalwart yeomen.

We had another advantage over John Bull; we produced a prodigious quantity of silver; more than seventy-five millions of dollars' worth a year; and were able to export fifty-five or sixty millions annually of this production.

Moreover, President Monroe had forbidden John Bull's interference with any of the sister republics south of us for any purpose, whether for that of securing control of any of their industries of which silver mining was chiefest, or influencing their policy in any respect.

Wheat, cotton and silver; these were the articles that constituted the bulk of our balance of trade with Europe; these were the articles most closely connected with the trade and finances of British India. The great staples of our foreign commerce (as distinguished from products grown and consumed and not largely shipped, such as Indian corn), are wheat, cotton and silver. It was their supremacy in the exportation of these staples that gave the United States their marvelous growth, prosperity and wealth. They were about to transfer to Uncle Sam the sceptre of the seas.

John Bull saw his fate. By constructing a vast system of railroads throughout India at incalculable expense, he had sought to stimulate in the rich soils of the countries watered by the Indus and the Ganges a production of wheat and cotton, which would enable him to compete with us for the wealth, power, prosperity and prestige incident to the profuse production of those staples. But, although he controlled a population of 240,000,000 subjects, while we could count but 65,000,000 citizens, his railroads and his gigantic endeavors by these and other agencies to rival us in the production of the two leading staples of commerce, failed of his object, and it became necessary for him to resort to some abnormal expedient to accomplish it. The expedient selected was what Mr. Goschen calls "financing."

As he nowhere possessed any valuable mines of silver, and, being the sovereign of India, was a purchaser of that metal, John Bull had nothing to lose and much to gain by depreciating the value of silver.

The great hunger of India is for silver; that metal is her passion; all the silver that can be taken there is eagerly absorbed in the trinkets and hoards of her crowded millions of inhabitants.

When John Bull undertook to procure the demonetization of

silver by the United States in 1873, the intrinsic value of the silver dollar was three and a half per cent. greater than that of the gold dollar; the metal in the silver dollar being worth more, as a commodity in the market, than the metal in the gold dollar by that premium. For ninety years of our bimetallic policy, silver had never gone below the par of gold, and often gone above it, before 1873.

It is an undenied historical fact that the act of 1873, purporting to be a revisal of the laws relating to the national mints, but which put a stop to the coinage of the silver dollar and divested that coin of its legal tender function, was furtively passed. Neither the Congress which passed it, nor the president (Grant) who signed it, knew of these important features of the act. The question of demonetizing silver and closing against it the mints which had been engaged in its free coinage since the beginning of the federal government, had never been presented to the American people, nor debated, nor considered by them. The act which effected this purpose was never authorized by them; and, having been furtively passed in a period in which specie payments were suspended, not a hundred people in the land knew for years after silver had been demonetized, that the fell trick had been practiced.

John Bull had formed the acquaintance of two incorruptible members of Congress, one in each house; he never deals with any but incorruptible men. When he needs and confers with such characters they immediately become so rich that they scorn the bagatelle of a bribe.

The metals which are called precious metals derive their preciousness almost exclusively from their being used as money; and they are coined into, and decreed to be, money, by the governments in which they circulate. Substances which have real intrinsic value are disqualified for use as money by that fact; it is only substances that have little value except as money that are coined by the public mints, and are made legal tender by the fiat of law. John Bull, through several of his ablest authors on public economics, has taught that those who stickle for intrinsic value in the paper and metals of which legal tender money is made, are dunces—except those who are rascals.

The closing of our mints to silver, and its deprival by law of the legal tender function, converted it in this country into a mere com-

modity of commerce. It immediately began to sink in value, and ran down in a short time to a point at which the silver in a dollar was worth only eighty cents. By that time the American people came to a knowledge of the trick which had been secretly practiced in 1873, and required Congress to enact a law, in the Bland act, remonetizing the silver dollar; that is to say, restoring to it the legal tender function, and requiring the mints to coin two and a half to four millions of them per month, from silver purchased by the government for that purpose. The mints, however, still remained closed to the people. Nobody's $412\frac{1}{2}$ grains of silver could be coined into a legal tender dollar, but those bought in open market by the government, from silver offered there as a commodity.

Our production of silver was at least \$75,000,000 a year; our government's purchases under the Bland act were but little more than \$30,000,000; and silver, under this weak demand of a single purchaser, went down and fell and cheapened in the market.

By 1890, so frightful was the debacle in the market price of silver, that even the incorruptible Sherman, still cherishing faint hopes of the Presidency, became frightened at the results of the demonetizing act of 1873. He, therefore, induced the passage of an act by Congress authorizing the government to purchase 4,500,000 ounces of silver per month at market prices in open market and to coin the metal into dollars and to store it in the treasury, issuing certificates against it in the form of treasury notes.

In pursuance of this Sherman act the government thus took up just about as much of our annual silver production as would have been exported each year to Europe over and above our home consumption. This measure stayed the fall of the price of silver in the market, and held it somewhere between sixty and seventy cents for the dollars' worth while the act was in force. But such a result did not accord with the policy of John Bull. He resolved that the Sherman act should be repealed and silver left to sink lower in price on the market. We know what a hellobelloo John Bull raised in this country in 1893; that an extra session of Congress was called; that all the power of the American executive and John Bull's agents in this country was exerted to secure a repeal of the Sherman act; that the House of Representatives passed the repealing bill promptly without debate by a majority

of some 140 votes; and that after hanging fire for some months in the Senate it finally passed that body. Then silver took another tumble in price.

Then John Bull's moral sense became again offended. He saw another mote in Brother Jonathan's eye. He scornfully asked his American brother if he thought that that sixty cent dollar of his which continued to pass all over the world at its legal tender value of one hundred cents, was an "honest" dollar. His great writers had taught that there was no money except what the law of the country made so by its fiat, and that none but dunces (except rascals) would contend for "intrinsic value" in money, whether made of paper or metal; yet, nevertheless, John Bull, employing the language of the rascal, continued sneeringly to berate Brother Jonathan for circulating his 80 cent, 70 cent, 60 cent, 50 cent dollar.

There was a beam, however, in John Bull's own eye. He had closed his Indian mints to the coinage of the rupee from silver brought to it by the ryots, but was running the mints up to their highest capacity in the coinage of legal tender rupees from silver he was buying in the United States at the constantly falling prices which he had managed to bring them down to there. The par of a rupee is about forty-eight cents. About two and two-thirds rupees are coined from an ounce of silver.

From time immemorial an ounce of silver has bought a bushel of wheat, and a silver rupee three pounds of cotton in India. The ryots of the Indus and the Ganges are a race of yesterday, to-day and forever. What they were a thousand years ago, they are now; and what they are now, they are likely to be throughout the impenetrable future.

The ryots will take the same weights of silver for their wheat and cotton which they have done from the beginning of their race, regardless of its "intrinsic value." But whether they are willing to do so or not, there is John Bull coining the silver he has bought in America for half its money value or less into legal tender rupees, held up to their par value by the fiat of British Indian law, and exchanging these coins for Indian wheat and cotton.

So it is, so it is, so it is. John Bull is now buying American silver at less than 50 per cent. of its money value and coining it into rupees of full money value. He is buying Indian wheat with

silver which cost him only at the rate of 50 cents for what he pays per bushel, and Indian cotton with silver which costs him only 6 cents for what he pays per pound. The rates which he thus pays fix the prices of wheat and cotton in Liverpool. They determine the prices of American wheat and cotton in our own markets.

The result is that the quotations for cotton are less than six cents, and Mr. Corbin told me last week in Richmond that the farmers of the Rappahannock had sold their wheat of 1894 for a net of only forty-eight cents a bushel. The end is not yet. The prices of all material property are graded by the prices of wheat, cotton and silver.

It has been announced in the English Parliament that the British government expected to bring down the market value of the silver in the American dollar to thirty-two cents, which will put cotton down to five cents and wheat to less than thirty-seven and a half cents a bushel. Such a result is inevitable unless a check be applied by ourselves to a policy which is pauperizing our agriculturists, covering all our second grade lands with brambles and briars, and slowly and surely converting our great wheat and cotton growing regions into a wilderness of lost industries.

The remedy is as simple as the cause of the universal depression in the business of the country is obvious. It consists in restoring the financial laws and reinstating the financial policy under which our country grew up and prospered and flourished during the first ninety years of its history, up to the shameful year 1873.

Three-fourths of the human race are silver-using and not gold-using populations.

To establish closer relations with the silver-using races, our government, refraining from trusting the work to a corporation of tory capitalists, controlled by cockney bondholders, might, on its own account, take hold of the Nicaragua ship canal, and push it to prompt completion, bringing the Atlantic and Pacific Oceans and peoples together.

The Sandwich Islands are, of course, ours by natural right, those necessary stepping-stones to Asia, the reservoir of commercial wealth. We get nothing but hard bargains in our trade with Europe. We obtain wealth untold, which is power immeasurable, from trade with Asia. To command that, is for us to command this globe.

Why do New England statesmen oppose annexation? All of our valuable annexations have been made by southern statesmen. Louisiana up to Canada, on the right bank of the Mississippi, by Jefferson; Texas by that true Virginian, John Tyler; California, which spread our country out to the Pacific, by Polk, a North Carolina-Tennessean. We don't want to annex Asia, or any part of her, but it is of immense importance that we command her commerce. We cannot do this except by annexing the Sandwich Islands. It was Democratic Presidents who made our country great by annexations. Why should the present Democratic President hesitate to follow such noble precedents as Jefferson, Tyler and Polk have set him

But for the Hawaiian people, who are a dwindling handful, we need care nothing. General S. C. Armstrong, of the Hampton Institute, in his letters from the Sandwich Islands in 1880, said of the Hawaiians that they had no word for home, or mother, or husband, or wife.

Annexation would plant American civilization there and make those words the foundation stone of that civilization. With the Nicaraguan canal and the Sandwich Islands part and parcel of the American Republic, John Bull would again be baffled, and the remorseless wheels of manifest destiny would again roll on silver-mounted.

It is a sorrowful thought that so many thousands of American citizens are giving aid and comfort to John Bull in the most deadly war he ever waged against the independence of our country.

But the disloyalty has not extended to the masses of the American people. They are fast becoming alive to the danger that is sapping their prosperity. They are indignant at the toryism of the great money class. They are in emeute against the old parties and politicians which have surrendered to the hypnotizing power of the monometallic octopus. They are resolved in the good year 1896 to drag down the men who in the arrogance of undesert are filling our country's high places of honor and trust, and to replace them with men who will realize that they have a country to serve and to save.

A BIMETALIST'S STUDY
OF THE
Causes of Our Present Monetary Disorders.

ABINGDON, VA., JULY 27TH, 1893.

To the Editor of the Richmond Times:

The real causes of our financial troubles are not domestic. They are of Foreign contrivance and direction. The President has called Congress into extra session because of a novel order of the British Government respecting the Asiatic rupee. The President's call is unprecedented in financial history. I refer to it, not to criticise, much less to censure, but as showing that the financial welfare of our country is seriously affected by transactions foreign and not American. A study of England's East India policy by the American people is compelled by the President's call. It brings the finance discussion to a climax. It lifts it out of the ruts of provincial partisanship and directs it to the true sources of inquiry. The proclamation is the most auspicious fact of the times. It remains for Congress to put forward its statesmen and not its empirics, and show the country whether it possesses any Hamiltons or Jeffersons in finance.

A very influential class of bankers in our Eastern States ascribe, or affect to ascribe, our financial disorders to the Sherman act. I am not a partisan of the act. In the great matter of world's finance it has no rightful place or relevancy. It has had no agency in bringing about existing financial conditions. The hard times are world wide. The severity is greater in Australia than in America. All Europe is suffering; the producing classes, manufacturing and agricultural, more than others. Agriculture is prostrate in England herself, and in Scotland, and Archbishop Walsh has pictured with electric vividness the distress of the Irish in Ireland. The Sherman act is not known in Australia or Europe,

or in the kingdom of Great Britain and Ireland. Congress will be wise to ignore as well the *bete noire* itself as its decriers.

All the world over are trade and finance off the normal basis. If I were required to answer in a phrase the continually pressed question, what is the matter with business everywhere? I would say that property values have gone to wreck and ruin, that the bottom is knocked out of prices.

But this answer is, of course, empirical; the question recurs. Why are all values in ruin? I hope to be able in the course of this paper to bring some elucidation to the inquiry.

It is conceded by all who have the knowledge of study and instruction, that gold has risen about 50 per cent. in value, compared with the general values of property since 1873. Inasmuch as the business of all Europe is now conducted on the gold basis, and inasmuch as our Eastern bankers, and our Secretaries of Treasury have succeeded in bringing the business of our own bi-metallic country practically to the gold basis, therefore, it results that the debtor classes are paying dollar debts with dollar and a half money—a state of things entailing distress in all liquidations, and ruin in most of them, by its sweeping destruction of margins.

The situation is better realized when it is described in a manner the reverse of that just employed. Gold, notwithstanding its rise in value, being still the enforced standard, and continuing therefore to be rated at a hundred cents, the average values of property in general must be regarded as having fallen, compared with gold, to sixty-six and two-third cents; wheat, cotton, lands, lumber, iron, silver and property generally, having lost thirty-three and one-third per cent. when sold for money estimated as gold.

Whether, therefore, this gap (or gape) between the values of gold and of property be ascribed to a shrinkage in property values, or honestly to a rise in gold, the pinch is the same.

The difficulty of the times is that debtors and men in active business, whose means of meeting obligations depend on sales of property, have to pay full dollars with sixty-six cents assets, a rate that is killing. If the Sherman act has any possible relation to this condition of things, I am unable to discover it.

True that the decriers of the act contend that it facilitates the exportation of gold. But the exportation of money metals depends upon the balance of trade. This is an axiomatic truth. If

we owe abroad more than our exports will pay, we remit gold to discharge the resulting debt. Gold is going abroad as the result of a series of very heavy dealings in past years; an example of which I will very imperfectly describe. An American dealer in wheat, who has made many shipments of that grain to Liverpool, through a series of years, drawing bills against it on the basis of the prices ruling when the bills were drawn, finds at last that in consequence of continual and heavy declines in the prices of wheat, he has overdrawn to the extent of one or more hundred thousands of dollars. This sum he has to pay in order to square accounts, and it may be hoped to wind up the losing business. The balances being heavily against this country, bills are at a premium, and it costing less to ship gold, the unfortunate American dealer in wheat sends the gold off to wipe out his debt, blindly oblivious of the Sherman act. When he began his dealings wheat commanded one dollar and sixty cents a bushel; when he closed them it brought only seventy cents. In fact, the most crushing incident of the general fall of prices, that is to say, of the deplorable rise of gold, is the havoc it has made with our balance of trade; for much, very much, is the matter with our foreign exports.

The comments of the *New York Journal of Commerce* on the official tables it publishes of the foreign commerce of the United States for 1892, were as follows, in its issue of the 23d of January last:

“For the year 1892 this country imported only \$876,198,179 in foreign merchandise, and sent out \$938,419,893 of domestic produce and manufactures, showing an excess of merchandise exports over merchandise imports of \$62,221,714. In addition to this there have been sent out to foreign countries during the last year \$112,472,304 in specie, against an import of only \$39,177,189, showing an excess of \$73,295,106 in specie, making a total nominal excess of \$135,516,198 in exports over imports; and in the face of this our bankers are still shipping millions of gold every week. The nominal balance of trade on the year's business has fallen off millions of specie.”

The *Journal of Commerce* was speaking of the year 1892. Only a few days ago the *Richmond Times*, speaking with reference to the first half of 1893, remarked:

“The treasury department has issued a statement of the expor-

tation of breadstuffs from this country for the month of June, 1893, for the six months ending with June, 1893, and for the twelve months ending with June, 1893, which contains some striking facts. The values of those for the month of June, 1893, were \$15,912,751, against \$16,448,977 for June, 1892. For the six months ending with June, 1893, the values were \$84,356,414, as against \$135,935,807 for the corresponding six months of the preceding year. For the twelve months ending June, 1893, the values were \$188,981,992, as against \$238,925,000 for the year ending June, 1892. Our exports of breadstuffs for the twelve months just ended are, therefore, \$100,000,000 less than they were in the preceding year."

Gold having disastrously risen, property values being in ruin, our foreign commerce being crippled by adverse balances, and our exports powerless to rectify them, the question behind all these phenomena recurs, how did this state of things come about?

I come to the consideration of the mischievous rupee, a "sacred" coin satanically misused. Until 1871-1873 gold and silver passed current all over the world as money. They had been the money of the great nations of antiquity and of the Bible; they are the money of nature; they are the two only metals which have ever been found in the experience of mankind to possess the qualities of precious value; nice divisibility; minimum susceptibility to abrasion and wear; maximum difficulty of simulation; and fascinating beauty, in the form of coins, to the eye of rich and poor. Until the last twenty-five years the folly and greed of man had never conceived the purpose, or dared the feat of demonetizing either of them.

They passed freely as money all over the world, none so haughty as to deny them welcome. They passed in the forms most convenient for money; that is to say, in the coins struck off at the various mints of Governments. Their relative value was fixed by each country's laws of coinage and legal tender. That relative value was virtually the same in all countries, being made the subject of mutual and universal consensus. True, that, in order to prevent an abnormal movement of coins, not resulting exclusively from ordinary trade operations, slight differences were allowed in their ratio. The United States of America being the chief producer of silver, the ratio in weight of sixteen of silver to one of

gold was adopted here, while in Europe, where the principal dealings with the East, which was the great importer of silver, were conducted, the ratio fixed was fifteen and a half to one, and in India, where silver was absorbed, the ratio was fifteen to one. Under these ratios silver was slightly cheaper in America, where it was produced, than in India, where it was consumed; otherwise our silver coins would have had too strong a tendency to flow to India instead of silver bullion.

These ratios were of common universal consent. It was important that all the great nations of the earth should assent to them; and necessary that several of the most powerful should do so; France and the United States being in the quorum. Under these ratios, with gold and silver as the universal money, the commerce of the world proceeded; the values of all property becoming adjusted to the conservative, the wise, it may also be said the Divine, economy of bimetalism. Both metals, except in England, were full legal tender, on the basis of the conventional ratios that have been described. Prices were remunerative, and money, except so far as wars and revolutions prevented, was in conservative abundance, the rich using gold and the poor silver. The following were the prices of sundry substances in the two years preceding and the two years following our act of 1873, denying free coinage and full legal tender value to silver:

YEARS.	WHEAT. Per Bushel.	CORN. Per Bushel.	OATS. Per Bushel.	COTTON. Upland Middling. Per lb.	SILVER. Per Ounce In London.
1872.	\$1 61	\$0 67	\$0 48	\$0 20	.60 $\frac{3}{4}$ Pence.
1873.	1 55	64	49	18	.58 $\frac{1}{2}$ "
1874.	1 35	88	62	17	.57 $\frac{1}{2}$ "
1875.	1 23	82	62	15	.56 $\frac{5}{8}$ "
.....
1893.	70	48	42	07 $\frac{1}{2}$.34 Pence.

The policy of demonetizing silver—that is to say, denying to

it free coinage—began in Europe in 1871, and in the United States in 1873. I ask the reader to observe here that the only substances which the above table shows to have been immediately affected by that policy were wheat, cotton and silver. These were the articles most closely connected with the trade and finances of British India. The great staples of our foreign commerce (as distinguished from products grown and consumed and not largely shipped, such as Indian corn) are wheat, cotton and silver. It was their supremacy in the exportation of these staples that gave the United States their marvellous growth, prosperity and wealth. They were about to transfer to the United States the sceptre of the seas.

England saw her fate. By constructing a vast system of railroads throughout India at incalculable expense, she had sought to stimulate in the rich soils of the countries watered by the Indus and the Ganges a production of wheat and cotton which would enable her to compete with us for the wealth, power, prosperity and prestige incident to the profuse production of these staples. But although she controlled a population of 240,000,000 subjects, while we could count but 65,000,000 citizens, her railroads and her gigantic endeavors by these and other agencies to rival us in the production of the two leading staples of commerce failed of their object, and it became necessary to resort to some abnormal expedient to accomplish it. The expedient selected was what Mr. Goshen calls "financing."

As she nowhere possessed any valuable mines of silver, and being the sovereign of India, was a purchaser of that metal, she had nothing to lose and much to gain by depreciating its value. This was, however, but an incident of her policy, the portentous object of which will appear in what follows.

There is no direct proof that the clandestine demonetization of silver by the United States in 1873 was procured by emissaries from London. Mr. Tyler wrote from Sherwood Forest in December, 1860: "The great weakness of all confederacies, through all time, has consisted in their exposure to the intrigues of other powers; and most surely if there ever was a motive to influence foreign governments to attempt a course of division and overthrow it exists in the case of our own confederation. Holding together for forty years longer, and all the other governments would be but pigmies in comparison." Bribery and intrigue are always

unsusceptible of proof. But a study of the cunning by which the legislation of 1873 was enacted by a Congress, wholly ignorant and unconscious of what it was doing, and wholly unauthorized by the people to take such action, will convince any rational mind that it was the result of foreign intrigue. Silver had been coined in the mints and current as legal tender money in the United States from 1785 until 1873. But in February of that year, by mysterious agency, Congress was deceived into demonetizing that metal by prohibiting its free coinage in the mints of the United States, and making it legal tender only for sums not greater than \$5. Germany, which had in 1871 exacted \$1,200,000,000 of gold from France as a war indemnity, had also been persuaded before the mysterious action of the American Congress, to suspend the coinage of silver in the imperial mints. Most of the smaller powers of Europe are dominated by England and Germany, and the procuring of similar action by them was a measure of easy accomplishment. Finally, several years later, France was obliged, in self-defence, to close her mints to all silver but her own, though continuing to accord to silver its full legal tender function. And thus it came about that the free and unlimited coinage of silver was found, soon after 1873, to have ceased throughout Europe and in the United States. Indeed, silver had come to be coined nowhere throughout the civilized world in any quantity, except in British India, for it is useless to speak of the Spanish-American republics. In British India alone did the free coinage of silver prevail, the amount coined in 1891 having been £17,000,000 sterling, or \$85,000,000, chiefly in the form of the rupee, the par value of which is 48 cents, which is its legal tender value in India. Nearly all the silver which goes into India goes from London.

The producers of wheat and cotton in India uninquiringly accept the legal tender rupee at its par value for their crops without thought of the cost in London of the silver of which it is coined. They are willing dupes in the matter. From time immemorial the myriad millions of people in what is now British India have been in the habit of selling their wheat at the rate of an ounce of silver for a bushel of grain. They are superstitiously impervious to foreign ideas, averse to innovations, fixed in old habits, devoted to accustomed methods, hostile to novelty, and stolidly repellant of change in every form. They accept an ounce per bushel for

their wheat, and a corresponding price per pound for their cotton, with sublimated indifference to the fluctuations of prices in the markets.

The fact results that England obtains wheat and cotton in India at a cost graduated to the cost of silver in London. By procuring the demonetization of silver by the United States and Europe, she has been enabled so to put down the market price of the metal in London as to leave a margin of profit measured by that depreciation on the wheat and cotton bought with legal tender rupees in India. When silver in London before 1873 was at the par 59 pence (equal to 118 cents) per ounce, that was the price she paid for wheat in India. To bring it to Liverpool cost 6 pence (or 12 cents) more, and so the price of India wheat in Liverpool was the price per ounce of silver in London, plus 12 cents. That is to say that when silver was at a par of 118 cents before 1873, Indian wheat could not be laid down in Liverpool for less than 130 cents net, American wheat bringing more or less higher prices, by reason of its higher grades and quality. These were not only remunerative, but profitable prices. The case was similar with cotton.

But since 1873 how has the case been? The silver rupee still retains its legal tender value, and par purchasing power in India; while the silver from which it is coined can be purchased in the London market for 33 pence or 66 cents per ounce. The result is that the price of wheat, this staple product of our country, has been depressed in our own markets to figures approximating the 66 cents per ounce which London vouchsafes to pay for our silver. Such is the situation, such the result brought about by the "financing" of England.

But the story is not all told. A new step has been taken. By the recent order of the British Secretary of the State for India, the Indian mints are closed to the silver of the public, and none of the metal will hereafter be coined, except that presented by the government itself. The effect of this measure is to close the silver market of London to all purchases for India except those made by the government, and to stop the exportation of silver to India, except on public account. Still another part of the story, however, is yet to be told. Silver commands in London about thirty-three pence: but the Secretary for India accompanies the order which has been referred to by the announcement that the govern-

ment will determine for itself the price it will pay for silver, and has now determined that this price shall be one shilling four pence per ounce—that is to say : sixteen pence, or thirty-two cents. Mr. Gladstone says to the American people : “ I will close Her Majesty’s mints in India absolutely to your silver, and for such of your metal as I may require for my own purposes I will give you half the London price.”

Mr. Cleveland has promptly responded to this characteristic insult, and has called Congress into extra session. England’s financing has ruined the agricultural industries of this country. All prices sympathize with those of wheat, cotton and silver, our great money crops. In order to accomplish the ruin of the wheat and cotton culture of America, it was necessary to strike the silver miners. The miners are in *emeute*; and in spite of the sarcasms of Eastern newspapers, I will say, in manly, patriotic *emeute*. The agriculturists will join them. Effervescence is a dangerous popular symptom. Congress will meet in extra session in the seething month of August.

The President’s proclamation calling Congress together was rendered necessary by the British-Sherman act or order, which I have described. Until that order the Indian mints were free to the public, just as the mints of the United States were until 1873. The order closes the Indian mints to the silver of the public, just as our Sherman act closes the American mints to the silver of our citizens. The order keeps open the Indian mints to the silver of the government, just as our Sherman act does that thing. The order announces the purpose of the government to purchase silver on its own account at its own price. Our Sherman act makes the like provision, except that it does not fix the price of the silver purchased, but leaves that to be fixed for us in London. Wall Street is a colony and dependency of London, and it is amazing to witness how rabidly denunciatory it is of the American-Sherman act, and how very quiescent it is with the British-Sherman act.

Well may the President of the United States be alarmed by a Sherman act in London, which threatens to put silver down to sixteen pence per ounce, American wheat down to sixty odd cents a bushel, and American cotton to less than seven cents per pound. The British act is a crushing thing; the American-Sherman act is a mere bagatelle.

Distrust, want of confidence, are universal in the United States. The situation is alarming. The danger is that silver will gradually go down in value, until it reaches the price at which Mr. Gladstone's secretary fixes it—sixteen pence (thirty-three cents) an ounce—bringing wheat and cotton and every staple connected with India down with it. Congress will be called upon to provide a remedy for the great financial distress prevailing, and the greater distress threatened. It will fail to provide the remedy. Wall Street will prevent; England will prevent. Mr. Tyler's letter supplies the reason.

The Sherman act directs the purchase of four and a half millions of ounces of silver per month, or fifty-four millions of ounces per annum, by the Secretary of the Treasury on government account. This is about the quantity of the metal that would be annually exported, over and above the home consumption. It directs the silver to be paid for with Treasury notes, and makes the notes legal tender, receivable in payment of public dues, and redeemable in gold or silver coins at the Treasury. As the banks of Wall Street and of the Atlantic States vigorously boycott silver coin, all recent Secretaries of the Treasury have been redeeming Treasury notes in gold. This is almost the only gold now available for exportation, and it is the pusillanimity of secretaries, and not the Sherman act, that produces the exportations of gold which so alarm the bankers. The remedy for the special evil is obviously not the repeal of the act, but a command by Congress to the Secretary to exercise his right of redeeming Treasury notes by doing so with silver.

Until the British Sherman act was announced, our bimetalists preferred the free coinage of silver to our own Sherman act. But now they object to the repeal of our act, because that would withdraw from the market the only considerable purchaser of silver, and tend to reduce that metal to the level of a mere commodity, having only the value derived from its use in the arts—leaving gold as the only metallic money of Europe and the United States. The repeal would thus inaugurate an era of shin-plasters, that is to say, of paper money not based on coin, for gold would hide, and there would be nothing to stave off the shin-plasters but a few hundred millions of legal tender silver coins now in the Treasury of the United States and in circulation, which we daily hear com-

plained of as dishonest money, a burden and a curse. Already the banks of Wall Street are issuing shin-plasters in the form of clearinghouse certificates. Their example will be contagious. The 10 per cent. tax will be no bar to shin-plasters.

The true and only remedy for the disorders of the times cannot be hastily obtained.

Time, patience, long, hard and earnest work will be necessary to secure it. The remedy for the financial evils of the day is the same for all countries afflicted by them, and not merely our own. It consists in simple retrogression, in a return to the conditions of 1873. The *sine qua non* of healthy finance is the restoration of silver to its wonted place in the financial economy of the world. Some degree of co-operation among nations is advisable. The Silver Conference Convention of 1892, which was called by Mr. Harrison as an affectation, should be revived by Congress as a reality. Let France, the United States, and the States of the Latin Union re-establish the bimetallic ratios of 1873, and the work is done. England cannot demonetize silver in India. That metal is the money of three-fourths of the population of the earth. In Asia it is money, whether coined or uncoined. To be money in Europe and America it is necessary that its coinage ratios of weight with gold be regulated by law. The ratios of 1873 are the best and most convenient and conservative that can be adopted.

The Secretary of State for India has undertaken to establish a ratio for the world in his order, which has been mentioned. He will purchase silver at 16 pence or 33 cents per ounce; his ratio, therefore, being twenty-five or thirty to one. His declaration is insulting enough, but it will fail to materialize. The best money ever known to man is metallic money. The two metals have little intrinsic value aside from that derived from their use as money. Their most considerable value comes from the stamp of the mint and the laws of the sovereign power making them legal tender. They are not money by virtue of being standards of value, but they measure values because they are money.

Congress, in our country, has absolute power to declare what is money. If it had no conscience it could make gold bonds solvable in salmon bricks.

There is no reason why the silver dollar should be as big as a cart wheel. It is a hallucination to suppose that the ratio of 16 or

15½ to 1, established before 1873 with reference exclusively to convenience of use, should not be reinstated. The gold dollar of that period was a little too small and the silver dollar a little too large for convenience; but the ratio was established, notwithstanding, as the best that was practicable. The fiat made the ratio right; the fiat made the gold and silver coins money. What is needed is money, and not standards, nor any degree of intrinsicity. All talk of standard and intrinsic value is idle and delusive. Money is the thing needed, and nothing but the fiat of Congress can create legal tender money in the United States. To contend that a silver dollar shall be enlarged commensurately with England's depreciation of silver metal in London is as silly as to contend that a legal tender treasury note shall be amplified until the intrinsic value of the paper of which it is made shall be equal to the value of the note. No, the ratio cannot be changed without making the gold dollar too small or the silver one too large, and both principle and convenience would be sacrificed by the change.

The United States must take the lead in the work of restoration. Our country will have allies enough if she will only take the lead and hold it worthily. England will be hostile either openly or clandestinely. The Gladstone Government is without honor, principle or faith. In this matter of the Indian rupee and the American dollar it will make Perfidious Albion more perfidious still in the ratio of 30 to 1.

I thank the *Times* most sincerely for publishing this paper. I thank it the more because, unless I should be fortunate enough to modify its opinions, what I have said is in violent antagonism to all its teachings. But its readers form an important part of the people, and in this country all statesmanship resides in the people. It is rarely found in politicians, whether in or out of public position. These are in general but the partisans of preconceived ideas adopted at second hand, and their whole effort is to force these ideas upon the public, right or wrong; so that, if their preconceptions be erroneous, their whole influence and work are pernicious. So with editors, in degree. Let the people hear both sides. Therein lies the safety of the republic. If you and I differ on the questions discussed in this paper, let your readers judge between us.

Congress Warned Against Tampering with the Ratios,

ON WHICH THE TWO THOUSAND MILLIONS OF SILVER
NOW IN CIRCULATION HAVE BEEN COINED—
SERIOUS QUESTION.

ABINGDON, VA., AUGUST 12TH, 1893.

To the Editor of the Dispatch:

The President has stated in the best form possible the argument in favor of the unconditional repeal of the Sherman act—a measure which would be the final step in the demonetization of silver. The two objections to the act which the President urges are—first, that its continuance must cause a destruction of the parity that is now established between gold and silver; and, secondly, that it must prolong the exhaustive exportations of gold that have been going on from this country for some time past.

As to the first objection, does it not occur to every mind that the unconditional repeal of the Sherman act must inevitably so depress the price of silver bullion in the market as to destroy the legally-established and long-existing parity which it is so important to maintain?

This is a very serious consideration, and Congress is bound, in repealing the act, to provide some countercheck to the fall of silver bullion that would inevitably result. Moreover, it is a question not only for the United States, but for all nations. Our government is now the only purchaser of silver in the world. The closing of the Indian mints to the metal puts an end to purchases for remittance to India. The closing of the Indian mints caused a fall of 15 or 20 per cent. in the price of this metal. The unconditional repeal of the Sherman act, by withdrawing from the market the only remaining purchaser of the metal, will produce a like fall of price. Will it be possible to maintain the parity of 16 to 1 in this country, and of $15\frac{1}{2}$ to 1 in Europe, of the two thousand millions of coined silver now in circulation after the fall in price of silver bullion that must ensue?

ON THESE RATIOS.

Let it not be forgotten that all the silver in circulation in the United States and Europe has been coined on these ratios. It is no light matter, therefore, to take any action that threatens these ratios, for the amount of legal tender silver money now in circulation on both continents is immense, as will be seen in subsequent paragraphs; and I regret the action of the recent caucus of silver men in Congress on the subject of the ratios. Those on which two thousand millions of coined silver circulation are already based ought not to be disturbed.

It is a fancy of the advocates of single-standard money that nearly all Europe is on the gold basis, and that it has been so contrived that the United States is practically so, but let us look at the statistics of the subject and learn from them how grave a matter it is to tamper with the value of silver.

GRAND AGGREGATE.

The amount of legal tender money in the United States (officially reported for January 1, 1893,) is \$1,611,321,763. Each dollar of this large sum is as good as any other dollar, the grand aggregate being composed of \$649,788,020 of gold, \$593,365,365 of silver, and the rest (not including gold and silver certificates) \$368,168,378 of legal tender paper circulation. This sixteen hundred and eleven millions of money is but little more than one-third gold, and yet no difficulty has been experienced in maintaining at a par with gold the remaining nine hundred and sixty-one millions of silver and paper money in circulation.

The fiat of the government, its stamp on the silver coins, conjoined with its legal tender laws, maintains this parity. Let it be freely admitted that in respect to metallic money, this fiat should not be employed too far in elevating a cheaper metal when coined into parity with a dearer. Nay, let it be conceded, that even a very powerful government cannot generally maintain a parity by its *mere* fiat, between too money metals, when the bullion value in the market of one of the metals falls very far below its par value. But whether rightly or wrongly employed it is the fiat of government that holds different kinds of currency in parity with each other on the basis of legal tender laws.

CIRCULATION.

As before stated the circulation of this country stands thus :

Gold coin, - - - - -	\$649,788,020
Silver coins and uncovered paper coin, - - -	961,533,743

Of this latter sum \$593,365,365 is in the form of legal tender silver coins; the whole \$961,533,743 of silver and paper being made par in value by the fiat of the government. It is safe to assume that the fiat will be strong enough to hold the silver at par when the market value of the metal is less than 50 per cent. of par, and that of the paper, of which currency is made, is nothing? Is not the Sherman act the only present safeguard against an incalculable depreciation in nearly one thousand millions of the money now current in the United States? Would it not be an act of fatuity to repeal without providing a substitute in some form?

It is an old adage that "misery loves company." Under the unconditional repeal of the act we Americans would have the poor consolation of knowing there would be many sharers in our misery. In all the countries of Europe which are now on the gold basis their circulation of gold coins is reinforced by a liberal addition of silver and paper money, held at par with gold by the fiat of the governments. Just as in the United States, this augmentation of the quantity of money in circulation beyond the amount of gold possessed is an absolute necessity to the commerce of those countries.

MAKE-UP OF THE MONEY SUPPLY.

In his valuable paper on the "Monetary Question of 1892," recently published, Mr. Ottomar Haupt gives very important statistics in regard to the make-up of the money supply in the world. I need not say that Mr. Haupt is one of the highest living authorities on monetary statistics. He has made calculations for the end of 1885 and for the end of 1891 of the money circulation of the following countries, viz: Austria, Belgium, the British Islands, France, Germany, Holland, Italy, Portugal, Russia, Scandinavia, Spain, Turkey, other European countries, the United States and Australia.

LEGAL TENDER MONEY IN GOLD-STANDARD COUNTRIES.

Deducting from the total amount given by him the amounts apportioned to Austria and Russia, as neither of these had the gold standard, and leaving out entirely his figures for the end of 1885, we have the following table of amounts stated in pounds sterling in circulation at the end of 1891 of

Gold, - - - - -	£ 644,000,000
Silver coined, - - - - -	320,000,000
Silver fractional coins, - - - - -	91,000,000
Uncovered paper money, - - - - -	240,000,000
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Total gold, silver and paper, - - - - -	£1,295,000,000

LEGAL TENDER MONEY IN GOLD-STANDARD COUNTRIES.

Stated in dollars instead of pounds sterling the make-up of the money circulation in the United States and the gold-standard countries that have been named is as follows:

Gold, - - - - -	\$3,220,000,000
Silver, full coins, - - - - -	1,600,000,000
Silver, fractional coins, - - - - -	455,000,000
Uncovered paper, - - - - -	1,200,000,000
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Total gold, silver and paper, - - - - -	\$6,475,000,000

The above is undoubtedly a close approximation to the amount of money in the currencies of the countries that were on the gold standard in 1891. When the figures are examined it will be seen that at the end of 1891 the actual gold entering into the money of the gold standard countries was less than one-half of the whole of the money of those countries. To that extent, indeed, the term gold standard is a misnomer, because it is really a standard of gold, silver and paper money combined. It might perhaps be thought that the \$3,220,000,000 of gold determined the value of the \$3,255,000,000 of silver and paper, and that these took the value of gold from association with it as legal tender. One would naturally suppose that the larger body of money would be more apt to control the value of the smaller than *vice versa*.

FIXES THE PARITY.

But the question is immaterial, for it is the fiat of the government that fixes the parity in all those countries, and unless some predominant, overbearing cause supervenes to disrupt this ligament the parity will continue as long as the fiat remains.

The question is, therefore, not only for the United States, but for all the countries on what is erroneously supposed to be a gold basis. What effect on the great amount of money other than gold and chiefly silver entering into their circulation will the withdrawal from market of the largest purchaser of silver have upon the money circulation of those countries? If the result should be so to depress the bullion price of silver as to destroy the legal tender value of \$2,055,000,000 of silver coins now circulating on a parity with gold would not the amount of money in circulation be diminished to the extent of that depression?

TOTAL VALUE.

The prices of all the property and commodities of the countries named are adjusted to a total money circulation of \$6,475,000,000; of which more than two thousand millions of dollars consists of silver. If this coined silver shall so sympathize with silver bullion in value as to lose the character of current money given it by the fiat, it is an axiom of political economy that the money left is money not so affected in value. Proportionally; property of all kinds will still further depreciate in price; God knows how much. It is painful to contemplate the consequences of a still further fall in the values of all property, and still further rise in the value of money.

The Congress of this country has never had a more serious question before it than is presented by the President's message. However pernicious may be the evils resulting from the continuance of the Sherman act, and however desirable it may be to be relieved of those evils, yet I cannot help thinking that the repeal of that act without providing simultaneously against the depreciation of silver, which repeal would cause, would be a fell blow inflicted by Congress on all property values, and on all industries in the United States and Europe.

THE SHERMAN ACT OF 1890.

THE CURRENCY FAMINE IN 1893.

HOW NOT TO RELIEVE IT—REPEAL MUST INTENSIFY
AND CAN'T RELIEVE IT.

ABINGDON, VA., AUGUST 31ST, 1893.

To the Editor of the Dispatch:

In 1873–1874 the American owners of silver bullion were denied the right of carrying it to the American mints, of having it coined into the constitutional money of the United States, and of putting it into circulation. This made it necessary to ship and sell their silver abroad, and it was all sent to France and India, where only it enjoyed the privilege of the mints. A similar policy in Europe so crowded the French mints that France, about 1877 or 1878, had to close them to all silver except what was owned by her own people. Thus American silver bullion could find no place of coinage except in the royal mints of India (lately closed).

American silver, sent through London to India, was subjected in London to so great a SHAVE that the American producers of the metal insisted upon some measure of protection from Congress, who had denied them the RIGHT of free coinage. Congress accordingly, in 1890, enacted as a make-shift for free coinage (I think the Democratic platform calls it a base make-shift) the Sherman act.

THE SHERMAN ACT.

This act provided for the American owners of silver bullion a

partial home market for their metal. It directed the purchase by the Treasury, at the market price, of four and a half millions of ounces of silver a month, fifty-four millions a year. It directed that payment for it should be made in Treasury notes, redeemable in gold or silver. The act was distasteful to the advocates of silver money, because it still denied the RIGHT of free coinage at the mints, and only substituted the PRIVILEGE of selling a limited quantity of this money metal for what it was worth merely as a raw article of commerce. But the act, while perpetrating this wrong, was of public service in requiring the monthly issue of something less than four and a half millions of dollars of money currency.

The gold powers concentrated in Wall street have never liked this Sherman law, miserable dodge and make-shift as it was. They did not like its furnishing even so limited a home market as it did for the silver which it was their policy to proscribe. They did not like its increasing the volume of American currency by as much as four millions of dollars a month. They objected to the elasticity in the currency of the United States which this monthly issue of new currency gave, and which had so strong an influence in preventing CORNERS in the money and produce markets.

REPEAL FORESEEN.

There has been a continual agitation against this Sherman law ever since its enactment. During the last six months it has been clearly demonstrated that the act would be repealed. All the eastern newspapers and most of the western; all the Chambers of Commerce in the North, East, South and West have been induced to pronounce against the act; and finally Congress has been called into extra session for the especial purpose of removing the foredoomed law from the statute-book.

The natural effect of this concerted and universal agitation and of the certainty of its repeal has been an *alarm about currency* and a fever for hoarding it. Currency, in view of the prospective stoppage of the monthly replenishment of \$4,000,000, has been hiding itself away for several months, and thereby causing the suspension of many solvent banks all over the country. The misfortune is

that bankruptcy has thus been forced, not only upon banks undeserving of confidence, but also upon banks in much larger numbers that were solvent, and were of great value and indispensable use to the country. The *currency famine* resulting from the apprehended cessation in the issuing of \$4,000,000 of new treasury notes per month is the WHO that has killed cock-robin.

FOUR MILLIONS A MONTH.

We are expecting much general benefit, considerable ease in business, marvellous restoration of confidence from the repeal of a measure that GIVES US FOUR MILLIONS OF CURRENCY PER MONTH IN A CURRENCY FAMINE. My own opinion is that the cutting off of this supply will increase the currency famine now prevailing.

How shall the fifty or sixty millions of silver bullion which we have each year to spare be utilized for the currency needs of the American people? A naked repeal of the Sherman act cuts us off from fifty millions of currency, which is absolutely necessary to the business needs of the country. If this currency is to be denied us, manifestly the surplus silver it represents should be utilized by a bill for free coinage.

OUR LEGAL TENDER MONEY.

ANSWER TO THE QUESTION: IS THE SILVER DOLLAR
OF THE UNITED STATES LEGAL TENDER?

NORFOLK, VA., DECEMBER 12TH, 1893.

Dear _____ :

Up to 1873, from the beginning of the American government, and since 1878, the coined dollars of silver by the mints of the United States have been legal tender for all amounts. The great fraud of 1873 reduced them to legal tender for sums of \$5.00 and less only; but the act of 1878 reinstated the silver dollar in its constitutional functions.

The coined silver dollar of the United States is not only legal tender all over the United States, but it passes current at par (sometimes at a slight discount) all over Europe. We have four legal tenders in the United States, viz: Our gold coins, our silver dollars, our greenback notes, and, for subsidiary purposes, our nickels and small silver coins. There is no single *unit of value*; there can't be, because value is not mathematical, like length, weight, &c., but *relative*, and is ever changing, not only in the attempted unit itself, but in all property. The gold and bond bankers are trying to make gold the only legal tender, but won't succeed. They have forced the gold standard partially upon this country, with the aid of Carlisle and Cleveland. Their object is to make it practicable to *corner* gold, sometimes partially, sometimes completely. Their success in this endeavor would pauperize mankind. The pauperizing process has already commenced. We shall see very hard times.

The policy of gold and bond bankers in Lombard and Wall Streets is gradually, step by step, to make gold the only legal tender, as well in the United States as in Europe. But the use of silver, even in the gold basis countries of Europe, is a necessity. In those countries, considered as a whole, there is as much legal tender silver in circulation as gold, and as much legal tender paper as either gold or silver. Nature and her great laws are stronger

than men, stronger than the guilds of gold and bond bankers, reinforced by Carlisle and Cleveland, the betrayers of the silver cause in this country.

The gold and bond guilds do not expect to destroy the use of silver as money. Their object is to discredit it as much as possible, and exclude it from use by bankers and dealers in bonds. Their object is to have gold always so in hand as to be *cornerable*, partially or completely, at their pleasure. They desire to be able to apply the pauperizing process, whenever convenient and whenever prudent.

Thank God, however, the silver dollar of America is still legal tender. If it were not, the member of the House of Delegates who made the bet with you would be gathering acorns for hogs somewhere in our pauperized country, relapsed into barbarism.

We continually hear of the "fifty-cent dollar." There is no such thing in existence. The American silver dollar will buy the microbe gold dollar anywhere in the United States. It will buy it because it *is* a dollar, just as much so as its little mulatto counterpart. The two are dollars by the same right and title—that is to say, by the fiat of the Constitution and laws of the United States.

LEGAL TENDER AT HOME.

That Constitution established a "Government of the United States," and called it a "government." It is not only a government, but it is the only government in this country that has the character of nationality, and possesses the prerogative of determining the unit of values here. The States of which it is composed are incompetent to declare what is money or to regulate its value. Whatever power there is over the currency is vested in Congress. If the power to declare what is money is not in Congress, it is annihilated. The court in *Legal Tender Cases*, 12 Wall, 545. "The power to determine what shall be lawful money and a legal tender is, in its nature and of necessity, a governmental power. It is in all countries exercised by the government. In the United States, so far as it relates to the precious metals, it is vested in Congress by the power to coin money." Chase, Chief Justice, for the Supreme Court in *Hepburn vs. Greswold*, 8 Wall, 615. Mr. Webster, though contending that paper notes could not be made legal tender, in which respect he has been overruled by the

Supreme Court, yet held it to be indisputable that "the legal tender in this country is gold and silver—either the coinage of our own mints or foreign coins at rates regulated by Congress. Congress," he continues, "has exercised this power fully in both its branches. It has coined money, and still coins it; it has regulated the value of foreign coin, and still regulates it. The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. To overthrow it would shake the whole system of government." 4 Webster's Works, 271.

From the fact that the government of the United States is a government of sovereign power in respect to money; that the States are prohibited from making aught but gold and silver legal tender, as coined or appraised in value by authority of the United States Government; that Congress is empowered by the Constitution to coin money and regulate the value thereof and of foreign coins; that Congress has established from the beginning of its being the American silver dollar as the unit of value and of accounts in the United States, it follows that this dollar is worth par, is par, without any reference to the question whether the silver in it would buy, if in the form of metal, eighty or a hundred, or a hundred and twenty, or a half bushel of copper cents.

If there were no supreme power in the land endowed with the prerogative of declaring what shall be the unit of value, there could be no certainty in contracts, and these would be governed by the fickle sanction of voluntary consensus which itself would lack the essential element of coercive validity. Legal tender marks the line between *purchase* and *barter*, between the *price* of civilization and the *swap* of barbarism. This unit may have a mere imaginary existence and value; it may be of paper; it may be of metal; indeed, it may not exist at all. How many bankers in Lombard or Wall Street know that their ante-types for generations never saw a pound sterling coin—the fetich which they worship with heart and soul, mind and strength, might and main? There never were any such coins until 1815, if we except a few struck in the reign of Henry the VIII; yet this pound sterling has been the unit of British currency for generations past. Length is material and can be measured. Weight is material and can be ascertained by scales; and if allowed to drop, will mash your toes. But value is an ideal thing. The coinage acts of Congress fix its unit in our

country as a dollar. If the weight and composition of this unit be but fixed by congressional prerogative there might be no piece actually coined of the denomination of the dollar. See the remarks of the court to this effect in *Legal Tender Cases*, 12 Wall, 553.

What, then, makes the piece of silver coin under consideration a dollar? It is the fiat of the government, exercised by authority of the national Constitution in the performance of a necessary functional duty, devolved solely, absolutely and autocratically upon itself as the supreme government of the United States.

INTRINSIC VALUE NON-ESSENTIAL.

There is a swarm of money dealers in London who say that our American dollar is not an honest one, and therefore a larger swarm of Americans here who echo their words; but the American Congress, from the great one which convened in 1789 fresh from the battle-fields of the war for American independence, and all its successors down to the present time, have said that this silver coin, bearing the indelible stamp of the American eagle upon its face, is and shall be the dollar of the United States.

What influence the possession of intrinsic value may have had on Congress in fixing upon the form, weight and composition of this unit dollar is immaterial. Congress was exercising a prerogative duty, and having exercised it, the dollar became the legal basis of every contract, irrespectively of the value of the metal out of which it was formed, if melted into shapeless mass.

At a later period, that is to say, in 1862, so completely and utterly did Congress disregard the feature of intrinsic value, that it issued a hundred and fifty millions of dollars of Treasury notes, and affixed the legal tender function to them all. This was done in the depth and gloom of sectional war. After the war was over there was great screaming and cawing and flapping of wings among the financial rooks of Boston and New York over the legal tender attribute possessed by these notes, and representative bankers brought suits to put a quietus upon the pretension that they possessed it; but the Supreme Court of the United States, after as full argument and as mature deliberation as ever was given to a subject by that authoritative body, ratified the action of Congress, and decided that legal tender money ordained as such by Congress, need not have any intrinsic value whatever.

Against the clamor of the class who were raising Cain over these legal tender notes the Court quoted the resolution adopted by the Continental Congress of 1777, during its desperate struggle with Tories and cockneys in red coats, declaring that Continental bills, issued in maintenance of the army, ought to pass current in all payments, and be deemed equal in value to the same nominal sums in Spanish dollars, and that any one refusing to receive them "ought to be deemed an enemy of the liberties of the United States," and calling upon the State Legislatures to pass laws to that effect.

It is as true now as it was in 1777, that when Congress has exercised its bounden and necessary duty to the country, of declaring what shall be the unit of currency in the United States it is moral *læsa majestas* to decry that unit; and if words could, like overt acts, be prosecuted as treason in this country, those who use them clamorously and maliciously, would deserve to be dealt with criminally, and in periods of public danger "shot upon the spot."

OUR DOLLAR WORTH PAR INTRINSICALLY.

But aside from these latter considerations, is the silver dollar of Congress wanting in intrinsic value?

If the value of the metal in this coin be measured by its cost, the average cost of the dollars in existence so far from being only 50 cents each, is not less than 250 cents. The statistics of silver-mining show that, taking all mining ventures into account, there have been more than \$3 expended in the business for every dollar that has been realized from it. Even the mines that have survived bankruptcy and that are in more or less profitable operation, do not show themselves to be bonanzas in the matter of profits. The Superintendent of the mint reports the cost of conducting the successful silver mines in the United States in the year 1890 to have been 66 cents for every dollar mined.

Measured by the cost, and taking into account only the operated mines of the two Americas, statistics show that the cost of all the silver obtained has approximated 100 per cent. of the value of the metal yielded by the mines.

Yours,

RO. W. HUGHES.

Property Values and Free Silver.

RICHMOND, VA.

To the Editor of the Dispatch:

In a former letter to the *Dispatch* I quoted the *Atlanta Constitution* to prove that property valuations for the year 1894 showed an increase over 1893 of \$338,000,000 in the three States of Massachusetts, New York and Pennsylvania, while in thirty-one Southern and Western States a decrease of more than \$500,000,000 had taken place in the same year. Of the increase in the three States named more than 70 per cent. had occurred in the State of New York. An examination of the last census reports will satisfy the most casual reader that this absorption of the wealth of the country by the three States named has been going on regularly, and with constantly-increasing ratio since the demonetization of silver. Where it will end, unless we retrace our steps, no man can tell.

During the decade from 1880 to 1890, property in Massachusetts, New York and Pennsylvania increased in value, in round numbers, \$2,600,000,000; while like values in the twelve States—Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Tennessee and West Virginia—increased during the same decade only \$800,000,000, or less than one-third of the increase in the three first-named. In New York alone the increase was \$300,000,000 more than in the twelve Southern States combined. In Pennsylvania alone \$100,000,000 more than in the twelve Southern States combined.

Remember that this process, as I have said, has been going on with increasing ratio, until, as the *Atlanta Constitution* proves, in a single year—1893—there was an almost uniform decrease in the South and West amounting to more than \$500,000,000, while in New York alone there was an increase of considerably more than \$200,000,000.

So much for ten years of our experience with the gold standard. Where will it end?

The same census reports show that in the South the number of landowners is decreasing year after year, while the number of tenants is on the increase. Millionaires on both sides of the ocean are purchasing immense tracts of Southern and Western lands, equal in extent in some instances to counties; building magnificent palaces, which are guarded by retainers, some of whom are paid more than the Governor of Virginia, while men whose names for a century have been household words in the South are glad to get positions on the plantations they once owned. Are we drifting back to the feudal system? Are the descendants of the Custises, of Marshall, of Jefferson, of Patrick Henry, of Lee, Jackson, Stuart and Hill, to be the retainers of the Vanderbilts, the Goulds, the Astors, and the Rothschilds?

Respectfully yours,

CHARLES P. LATHAM.

Platform of the Cook County Democracy.

THE GREATEST QUESTION EVER UP BEFORE A FREE PEOPLE FOR CONSIDERATION.

The Democratic party in its National Conventions and the Democracy of Illinois have uniformly declared in favor of the use of both gold and silver standard money of the country.

Silver and gold have constituted the money of the Democratic party, the money of the American people and the money of the whole commercial world. It was by the use of both that the world progressed and that our people prospered.

As long as the mints of the world, or even of one great nation, remained open to the free coinage of both metals, silver and gold, in obedience to natural law, maintained a substantial parity.

That law is that the privilege of coining either metal into debt paying money makes a demand for whichever metal tends to be the cheaper. This natural demand increases the value of the cheaper metal and the lack of demand decreases the value of the dearer metal, and thus an automatic and natural stability of the dearer metal is obtained. This is not theory, it is the history of centuries, and this natural law maintained the parity of gold and silver at substantially their coinage ratio, even when the ratio of their productions fluctuated violently. When the world's production of gold was three times that of silver, and when again it was only one-third of silver, still the bullion value of the metals under free coinage was relatively the same.

Not until silver was denied free coinage at the mints did its value and that of gold begin to diverge, and we mean that the apparent depreciation of silver is really to a great extent the appreciation of gold. Gold has become dearer because the immense

added demand for gold, consequent upon the demonetization of silver, has made it dearer. This is evidenced by the increased purchasing power of gold and the general decline of the prices of commodities since 1873. There never has been and is not now enough gold in the world to do the business of the world. The total amount in existence is less than \$480,000,000, and amounts to only about \$2.50 per capita for the population of the world.

To make any single metal the standard of value is to choose a standard which must fluctuate in obedience to the laws of supply and demand. Gold monometalism and silver monometalism are fraught with peculiar dangers, because their burdens fall on those who are least able to endure them. Bimetatism furnishes a standard more stable than any other, because each of the two metals systematically prevents or counteracts the undue appreciation of the other. The gold standard is dishonest and oppressive, because gold tends steadily upwards and makes the debtor pay more than he owes. Upon the Republican party rests the responsibility of the closing of our mints to silver and the practical supremacy of gold monometatism, and we adjure its members in the name of patriotism and humanity, to forsake their false guides and to join with us in prompt and thorough-going measures to correct the evil which they have brought into existence, and to return to the double standard approved by Hamilton and Jefferson.

There are other abuses of the currency system which must also be removed until we stand upon the firm foundation of the precious metals as the basis of our money system, every dollar of equal intrinsic worth, and no money founded upon mere promises to pay not backed by gold and silver.

We deny the statement of our adversaries that we favor repudiation, or 50-cent dollars, and insist that by the operation of the natural law of supply and demand the gold and silver dollars, when freely coined at the ratio of 16 to 1, will adjust themselves at a practical equality, just as they did before 1873.

There is not and never has been in the United States a 50-cent silver dollar, and the only reason that the bullion in a silver dollar can be said to be worth 50 cents is because that bullion has been excluded from the mints and is unfairly compared with appreciated gold.

We are not opposed to an international agreement. We invite such action, but we are opposed to waiting one day or one hour for foreign aid. International conferences have heretofore been a failure, whether well-intended or conceived in the interest of delay. We believe that this nation can and should legislate for its own people.

Therefore, be it resolved by the Democracy of Cook county that we demand the immediate restoration of the free and unlimited coinage of silver at the ratio of 16 to 1, as it existed prior to 1873, without waiting for the aid or consent of any other nation, such gold and silver coin to be the legal tender for all debts, public and private.

